

IDAHO EMPLOYMENT

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IN THIS ISSUE...

State Overview

Unemployment Rate	1
Nonfarm Payroll Jobs	2
Economic Indicators	6

Panhandle	7
2003 Year in Review.....	7

Seaport	11
2003 Developments	11

Treasure Valley	13
Construction 2002-2003.....	14

Magic Valley	17
---------------------------	----

Southeast	19
------------------------	----

Northeast	19
2003 Economic Summary.....	19

F.Y.I.

Annual Poem: Economic Review and Outlook, provided by John Mitchell of US Bank.....	25
---	----

Glossary	27
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State Overview

IDAHO'S UNEMPLOYMENT RATE DECREASES TO 5.1 PERCENT

The seasonally adjusted unemployment rate for November 2003 was 5.1 percent, down two-tenths of a percentage point from October. Idaho's November unemployment rate was nine-tenths of a percentage point below the 6.0 percent rate experienced one year ago.

There were 2,400 more people working in Idaho in November than in October 2003. This is the third consecutive monthly increase. The number of jobless workers in November decreased 1,700, which is the fourth consecutive month a decrease has occurred in the number of unemployed persons. As a result, the *Civilian Labor Force* increased by 700 persons to 689,400.

The changes from November 2002 show that Idaho's labor force has increased 6,000 persons, or 0.9 percent. From one year ago, the number of persons employed was up 11,900, or 1.9 percent, and the number of persons unemployed decreased by 5,900, or 14.5 percent.

During the past 26 years, Idaho's October-to-November unemployment rate has decreased nine times for an average decrease of two-tenths of a percentage point. It remained unchanged eight times and increased nine times for an average increase of three-tenths of a percentage point. This somewhat inconsistent pattern reflects several strong seasonal influences, which also have some inconsistency in strength and occurrence (timing): the "slack" period between summer and winter recreation seasons, the end of the crop growing/harvesting period, retail buildup for the holiday season, and the onset of cold or wet winter weather. When these factors occur and in which combinations can have a strong overall effect on the state's unemployment rate.

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AREA AND COUNTY LABOR FORCE HIGHLIGHTS

State Table 1 on page 3 provides the month's labor force statistics for Idaho counties, designated labor market areas, and selected cities.

Only two Idaho counties experienced double-digit unemployment rates in November, down from six counties in October 2003 and eight in November 2002. Adams County is forecast to have the highest unemployment rate at 18.7 percent in November, down from 22.9 percent in October, but up from 15.3 percent in November 2002. Washington County's rate at 10.2 percent was down from 14.6 percent in October and 13.1 percent in November 2002.

Three counties had an unemployment rate of 3.0 percent or below, the same as in October but two more than in November 2002. Latah County had an unemployment rate of 3.0 percent, down from 3.6 percent in October and 3.8 percent in November 2002. Owyhee County experienced 1.8 percent unemployment in November 2003 compared to 1.9 percent in October and 4.0 percent in November 2002. Madison County's rate of 1.7 percent is one-tenth of a percentage point above October's but is down from 2.1 percent in November 2002.

The Cassia-Minidoka Labor Market Area (LMA) had the highest November unemployment rate, at 7.4 percent, among the state's six LMAs and two Metropolitan Statistical Areas (MSAs). This south central area's unemployment rate is usually in the 7.0 percent range, but it is seldom ranked as the highest unemployment area. Usually two northern Idaho areas--the Panhandle LMA and the Idaho-Lewis LMA--rank first or second on the list, but the combination of employment and unemployment changes in these two northern LMAs caused unemployment decreases to 7.2 percent each.

In addition, the Cassia-Minidoka LMA experienced the final closure of a large potato processing plant that added to the number of unemployed in the area.

The Bonneville LMA had the lowest area unemployment rate in November at 3.8 percent, followed closely by the Seaport LMA and Magic Valley LMA, both at 3.9 percent. The Boise City MSA had a 4.8 percent unemployment rate which was an improvement from October's 5.0 percent rate and the 5.6 percent rate experienced in November 2002.

NONFARM PAYROLL JOBS

State Table 2 on page 5 provides state industry employment data for the current month, previous month, and one year ago.

Idaho lost 3,700 Nonfarm Payroll Jobs between October and November 2003. Some of the job losses can be attributed to those industries which often have job cutbacks at this time of the year, but some of the losses occurred in industries that have been experiencing non-seasonal losses at points throughout the year. Winter weather made a rather cold and wet debut in mid-November, which hastened job declines in some industries that usually experience a more drawn-out seasonal decline. Finally a cautionary air was reported among consumers and merchants

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about holiday shopping expectations and seasonal celebrations, and, consequently, some job increases possibly were deferred if not abandoned for that reason.

The majority of the October-to-November job losses occurred in the *Goods-Producing Industries*. *Construction* employment declined by 1,100 jobs, due mostly to wintery weather; however, the industry remains strong as the year-over-year gain of 700 jobs indicates. *Construction* has added about 6,500 jobs from January to November 2002. This gain might not be sustained on a December-to-December basis as snowy and cold winter weather was expected to persist.

Food Manufacturing also reported significant job losses, both month-over-month and year-over-year. The job loss was 1,000 in both cases. It has been noted in previous issues of the *Idaho Employment* newsletter that this industry, which Idahoans usually call food processing, has been on a job decline trend in recent years. Some of it is due to productivity increases, but most is due to changing market conditions for Idaho food products and natural causes such as droughts. As a result, some processing plants have closed and others have reduced shifts or scaled back production. Dairying and cheese manufacturing have increased, but those job gains have not offset the losses in crop foodstuff processing.

The other *Goods-Producing Industries* did not have any significant changes in November. The *Computer & Electronic Product Manufacturing* industry had its ninth consecutive month of stable employment at around the 16,000 jobs level. The industry awaits the anticipated increase in business investments nationally before it can begin to recover some of the 4,000 jobs lost since 2000. The *Wood Product Manufacturing* industries were essentially unchanged from November, but the year-over-year loss of 600 jobs can be attributed in part to a long-term trend of sawmills employing increasingly fewer workers or completely shutting down.

The *Service-Providing Industries* lost 1,400 jobs in November from October. A monthly job loss has not been the norm during 2003, except in the June-July period when school-based jobs normally decrease. For November, job losses were largely concentrated in just a few industries; only a couple of industries added any significant number of jobs. Combining job losses with small gains resulted in

State Table 1: November 2003 Labor Force (preliminary)				
Seasonally Adjusted	Labor Force	Unemp.	% Unemp.	Total Emp.
Seaport LMA	35,615	1,384	3.9	34,232
Nez Perce County	23,406	807	3.4	22,599
Asotin County, WA	12,210	577	4.7	11,633
Boise City MSA	246,573	11,720	4.8	234,853
Ada County	176,744	7,063	4.0	169,681
Canyon County	69,829	4,656	6.7	65,172
Pocatello City MSA*	40,194	1,906	4.7	38,288
Bonneville LMA	81,845	3,085	3.8	78,761
Bingham County	22,029	936	4.2	21,093
Bonneville County	48,144	1,717	3.6	46,427
Butte County	1,530	73	4.8	1,457
Jefferson County	10,142	359	3.5	9,783
Cassia-Minidoka LMA	20,274	1,501	7.4	18,773
Cassia County	10,099	595	5.9	9,504
Minidoka County	10,175	906	8.9	9,269
Idaho-Lewis LMA	8,070	580	7.2	7,490
Idaho County	6,625	530	8.0	6,095
Lewis County	1,444	49	3.4	1,395
Panhandle LMA	91,838	6,593	7.2	85,244
Benewah County	4,163	326	7.8	3,837
Bonner County	17,623	1,208	6.9	16,414
Boundary County	4,405	368	8.4	4,036
Kootenai County	59,320	4,044	6.8	55,276
Shoshone County	6,327	646	10.2	5,681
Magic Valley LMA	55,606	2,196	3.9	53,410
Gooding County	7,791	284	3.6	7,507
Jerome County	10,340	418	4.0	9,922
Twin Falls County	37,475	1,493	4.0	35,981
Adams County	1,896	354	18.7	1,542
Bear Lake County	3,072	164	5.3	2,908
Blaine County	12,689	447	3.5	12,242
Boise County	2,628	204	7.8	2,423
Camas County	503	33	6.5	470
Caribou County	3,284	281	8.6	3,002
Clark County	640	33	5.2	607
Clearwater County	3,511	293	8.3	3,219
Custer County	2,228	136	6.1	2,093
Elmore County	9,692	568	5.9	9,124
Franklin County	5,475	170	3.1	5,305
Fremont County	5,180	294	5.7	4,886
Gem County	5,760	401	7.0	5,359
Latah County	15,883	484	3.0	15,399
Lemhi County	3,774	253	6.7	3,521
Lincoln County	2,288	85	3.7	2,203
Madison County	12,188	203	1.7	11,985
Oneida County	1,714	68	4.0	1,646
Owyhee County	4,456	81	1.8	4,374
Payette County	9,501	779	8.2	8,722
Power County	3,279	280	8.5	3,000
Teton County	4,011	159	4.0	3,853
Valley County	3,948	335	8.5	3,614
Washington County	4,181	392	9.4	3,789
State of Idaho	689,397	34,884	5.1	654,513
Idaho Cities				
Boise	121,583	4,742	3.9	116,842
Coeur d'Alene	20,872	1,130	5.4	19,742
Idaho Falls	29,632	1,147	3.9	28,485
Lewiston	19,710	632	3.2	19,078
Nampa	21,292	1,584	7.4	19,708
Pocatello	28,310	1,376	4.9	26,933
Twin Falls	19,603	863	4.4	18,740

* Pocatello MSA includes all of Bannock County.

the overall decline of 0.3 percent in the *Service-Providing Industries*.

Job losses of 500 or more each occurred in the *Administrative & Support Services* component of *Professional & Business Services* (primarily due to cut-backs in call center jobs); *Leisure & Hospitality* (transition from summer/fall to winter recreation activities); and *Federal Government* (termination of seasonal employees). Both *State Government Education* and *Local Government Education* added jobs as increased school enrollments led to staff hiring.

Normally *Retail Trade* adds 2,000 to 3,000 jobs for the holiday shopping season. The October-to-November increase this year was 1,500 jobs. It was widely reported the merchants were cautiously optimistic about sales this year, but were being conservative in hiring additional sales staff until the holiday shopping picture became clearer after Thanksgiving.

The November year-over-year changes were almost the reverse of the month-over-month changes. Jobs were added in almost all industries except *State & Local Government*, which experienced job losses or just small growth due to budget constraints. It is expected that retail sales employment will accelerate in December and the number of *Service-Providing* jobs at the end the year will show strong growth.

How the state's labor market fared during 2003 will be the primary focus of next month's *Idaho Employment*. The monthly estimates of employment, unemployment, and *Nonfarm Payroll Jobs* will have been revised via a process known as benchmarking, which is the comparison of the sample-based estimates to actual numbers employers are required to report.

AGRICULTURE

The hired worker agricultural workforce was estimated at 28,180 people, down 27.9 percent from October. This is a normal seasonal decline but reflects the fact that agricultural activity continues through the winter months. Livestock feeding, husbandry, milking, and transportation occur on ranches, feedlots, and farms. Farm and irrigation equipment is serviced and fences are mended in preparation of the next growing season.

The most positive development for Idaho agriculture during November was that snow and rain came slightly earlier and in larger quantities than has been the case in last several years of drought

conditions. However, most water experts and hydrologists indicated Idaho will need a snowpack and stored water reserve at above average levels before the state's water system is recharged.

The Idaho Agricultural Statistics Service reported these crop developments:

- Idaho's 2003 potato production is expected to total 123 million cwt, down 8.0 percent from 2002, largely due to above normal summer temperatures, which adversely affected tuber development.
- Sugar beet production for 2003 is forecast at 6.09 tons per acre, up from last year's 24.3 tons. Both production and yield represent new records for the state.
- Idaho's 2003 dry edible bean production is expected to total 1.60 million cwt, down 16 percent from last year's production of 1.91 million cwt. Reduced acres planted and harvested account for the reduction, although average yield of 2,050 pounds per acre is expected to be unchanged from last year.
- Commercial red meat (beef, veal, pork, lamb) production at Idaho packing plants in 2003 was down 21 percent from 2002.
- November milk production was up 8.8 percent from November 2002, and the price was, too: \$14.10 cwt vs. \$11.10 cwt.

Source: Agriculture in Idaho, November and December 2003 issues, published twice monthly by the U.S.D.A. National Agricultural Statistics Service.

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State Table 2: Nonfarm Payroll Jobs

BY PLACE OF WORK	% Change From				
	Nov 2003*	Oct 2003	Nov 2002	Last Month	Last Year
Nonfarm Payroll Jobs**	580,600	584,300	573,900	-0.6	1.2
GOODS-PRODUCING INDUSTRIES	102,800	105,100	106,100	-2.2	-3.1
Natural Resources & Mining	3,500	3,600	4,000	-2.8	-12.5
Logging	1,800	1,900	2,200	-5.3	-18.2
Mining	1,700	1,700	1,800	0.0	-5.6
Metal Ore Mining	400	500	500	-20.0	-20.0
Construction	38,400	39,500	37,700	-2.8	1.9
Manufacturing	60,900	62,000	64,400	-1.8	-5.4
Durable Goods	37,600	37,700	39,900	-0.3	-5.8
Wood Product Manufacturing	7,100	7,200	7,700	-1.4	-7.8
Sawmills & Wood Preservation	2,900	2,900	3,100	0.0	-6.5
Veneer & Engineered Products	1,200	1,200	1,300	0.0	-7.7
Other Wood Product Manufacturing	3,000	3,100	3,300	-3.2	-9.1
Fabricated Metal Product Manufacturing	3,600	3,700	3,600	-2.7	0.0
Machinery Manufacturing	2,500	2,500	2,900	0.0	-13.8
Computer & Electronic Product Manufacturing	16,000	15,900	17,200	0.6	-7.0
Transportation Equipment Manufacturing	2,200	2,200	2,000	0.0	10.0
Other Durable Goods	6,200	6,200	6,500	0.0	-4.6
Nondurable Goods	23,300	24,300	24,500	-4.1	-4.9
Food Manufacturing	15,300	16,300	16,300	-6.1	-6.1
Fruits & Vegetable Preserving & Specialty	7,600	8,100	8,400	-6.2	-9.5
Paper Manufacturing	1,600	1,600	1,700	0.0	-5.9
Printing & Related Support Activities	2,100	2,100	1,900	0.0	10.5
Chemical Manufacturing	1,800	1,800	1,900	0.0	-5.3
Other Nondurable Goods	2,500	2,500	2,700	0.0	-7.4
SERVICE-PROVIDING INDUSTRIES	477,800	479,200	467,800	-0.3	2.1
Trade, Transportation, & Utilities	121,300	120,300	118,000	0.8	2.8
Trade	101,800	100,700	99,300	1.1	2.5
Wholesale Trade	25,200	25,600	25,000	-1.6	0.8
Wholesalers, Durable Goods	11,500	11,500	11,900	0.0	-3.4
Wholesalers, Nondurable Goods	11,500	11,500	11,300	0.0	1.8
Retail Trade	76,600	75,100	74,300	2.0	3.1
Motor Vehicle and Parts Dealers	11,000	11,000	10,800	0.0	1.9
Building Material and Garden Equipment	7,900	8,100	7,700	-2.5	2.6
Food & Beverage Stores	12,300	12,300	12,800	0.0	-3.9
General Merchandise Stores	16,800	16,000	15,800	5.0	6.3
Transportation, Warehousing, & Utilities	19,500	19,600	18,700	-0.5	4.3
Utilities	1,900	1,900	1,900	0.0	0.0
Transportation & Warehousing	17,600	17,700	16,800	-0.6	4.8
Rail Transportation	1,300	1,300	1,300	0.0	0.0
Truck Transportation	8,500	8,600	8,300	-1.2	2.4
Information	9,300	9,300	9,200	0.0	1.1
Telecommunications	3,300	3,300	3,200	0.0	3.1
Financial Activities	27,500	27,400	25,500	0.4	7.8
Finance & Insurance	20,600	20,500	19,100	0.5	7.9
Real Estate & Rental & Leasing	6,900	6,900	6,400	0.0	7.8
Professional & Business Services	74,300	75,100	70,000	-1.1	6.1
Professional, Scientific, & Technical	29,000	29,200	28,300	-0.7	2.5
Scientific Research & Development	7,300	7,200	7,300	1.4	0.0
Management of Companies & Enterprises	8,800	8,800	8,500	0.0	3.5
Administrative & Support & Waste Management	36,500	37,100	33,200	-1.6	9.9
Administrative & Support Services	35,600	36,200	32,100	-1.7	10.9
Educational & Health Services	62,300	62,300	61,500	0.0	1.3
Educational Services	7,000	7,000	7,100	0.0	-1.4
Health Care & Social Assistance	55,300	55,300	54,400	0.0	1.7
Hospitals	13,300	13,300	13,400	0.0	-0.7
Leisure & Hospitality	52,200	53,700	51,700	-2.8	1.0
Arts, Entertainment, & Recreation	6,700	7,300	6,900	-8.2	-2.9
Accommodation & Food Services	45,500	46,400	44,800	-1.9	1.6
Accommodation	6,400	6,800	6,900	-5.9	-7.2
Food Services & Drinking Places	39,100	39,600	37,900	-1.3	3.2
Other Services	17,700	17,700	17,600	0.0	0.6
Total Government	113,200	113,400	114,300	-0.2	-1.0
Federal Government	13,300	14,200	13,200	-6.3	0.8
State & Local Government	99,900	99,200	101,100	0.7	-1.2
State Government	30,100	30,200	29,600	-0.3	1.7
State Government Education	15,100	14,900	14,600	1.3	3.4
State Government Administration	15,000	15,300	15,000	-2.0	0.0
Local Government	69,800	69,000	71,500	1.2	-2.4
Local Government Education	36,600	35,800	38,300	2.2	-4.4
Local Government Administration	30,300	30,300	30,500	0.0	-0.7
Local Government Tribes	2,900	2,900	2,700	0.0	7.4

*Preliminary Estimate

** Estimates include all full or part time wage and salary workers who worked or received pay in the following industry groups during the pay period ending nearest the 12th of the month.

State Table 3: Economic Indicators

				% Change From	
	Nov 2003	Oct 2003	Nov 2002	Last Month	Last Year
IDAHO LABOR FORCE ⁽¹⁾					
Seasonally Adjusted					
Civilian Labor Force	689,400	688,700	683,400	0.1	0.9
Unemployment	34,900	36,600	40,800	-4.6	-14.5
Percent of Labor Force Unemployed	5.1	5.3	6.0		
Total Employment	654,500	652,100	642,600	0.4	1.9
Unadjusted					
Civilian Labor Force	688,000	686,900	682,700	0.2	0.8
Unemployment	33,300	30,500	38,700	9.2	-14.0
Percent of Labor Force Unemployed	4.8	4.4	5.7		
Total Employment	654,700	656,400	644,000	-0.3	1.7
U. S. UNEMPLOYMENT RATE ⁽²⁾	5.9	6.0	5.8		
U.S. CONSUMER PRICE INDEX ⁽²⁾					
Urban Wage Earners & Clerical Workers (CPI-W)	180.2	180.7	177.4	-0.3	1.6
All Urban Consumer (CPI-U)	184.5	185.0	181.3	-0.3	1.8
AGRICULTURE					
Agriculture Employment	37,550	48,460	31,820	-22.5	18.0
Operators	9,010	9,010	9,010	0.0	0.0
Unpaid Family	360	360	480	0.0	-25.0
Hired Workers	28,180	39,090	22,330	-27.9	26.2
UNEMPLOYMENT INSURANCE					
Claims Activities					
Initial Claims ⁽³⁾	15,695	10,960	16,908	43.2	-7.2
Weeks Claimed ⁽⁴⁾	74,133	64,209	73,562	15.5	0.8
Benefit Payment Activities⁽⁵⁾					
Weeks Compensated	60,630	52,750	58,016	14.9	4.5
Total Benefit \$ Paid	\$13,338,539	\$11,724,796	\$12,548,840	13.8	6.3
Average Weekly Benefit Amount	\$220.00	\$222.27	\$216.30	-1.0	1.7
Covered Employers	41,509	41,509	40,596	0.0	2.2
Total Benefit \$ Paid During Last 12 Months ⁽⁴⁾	\$219,341,045	\$218,551,345	\$211,457,798	0.4	3.7
(1) Preliminary Estimate					
(2) Source: U.S. Bureau of Labor Statistics					
(3) Includes all entitlements/programs on Intrastate and Interstate Agent, New, and Additional Claims					
(4) Includes all entitlements/programs, Intrastate and Interstate Agent					
(5) Includes all entitlements/programs, Total Liable Activities					



PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

EMPLOYMENT TRENDS

A strengthening economy caused the Panhandle's seasonally adjusted unemployment rate to fall from 7.5 percent in October to 7.2 percent in November. The unemployment rate a year before, in November 2002, was considerably higher at 8.5 percent. Panhandle Table 1 shows the Panhandle added about 830 *Nonfarm Payroll Jobs* between November 2002 and November 2003. *Construction, Leisure & Hospitality, and Educational & Health Services* were among the sectors with the largest job gains. In recent months, *Manufacturing* employment has shown significant job growth. From late 2000 until the summer of 2003, *Manufacturing* was losing jobs. Almost every sector showed job growth in the last 12 months, or is posed for job growth during the next 12 months. The only sector with large job losses between November 2002 and November 2003 was *Professional & Business Services* because of the downsizing of call centers and professional employer organizations (PEOs).

2003: YEAR IN REVIEW

The remainder of this newsletter article describes major economic developments in each of the Panhandle counties in 2003 and prospects for 2004. The 2003 *Nonfarm Payroll Jobs* statistics shown in this section are forecasts based on actual data for the first two quarters of the year, a sample of some employers for the last five months of the year, and known layoffs and job openings.

Benewah County

In late 2003, Benewah County, home to nearly 9,000 people, appeared to brush off the stagnation that has plagued it in recent years.

- The Panhandle's most timber-dependent county is benefiting from increases in lumber and plywood prices. In early 2003, lumber prices were near a 10-year low. The Random Lengths organization reported in their newsletter that the composite price of lumber rose from \$274 (per thousand feet) in the last week of 2002 to \$321 in the last week of 2003,

Panhandle Table 1: Labor Force & Employment

	Nov 2003*	Oct 2003	Nov 2002	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	91,830	91,970	91,290	-0.2	0.6
Unemployed	6,590	6,860	7,720	-3.9	-14.6
% of Labor Force Unemployed	7.2	7.5	8.5		
Total Employment	85,240	85,110	83,570	0.2	2.0
Unadjusted					
Civilian Labor Force	91,790	90,690	91,460	1.2	0.4
Unemployed	6,150	5,440	7,240	13.1	-15.1
% of Labor Force Unemployed	6.7	6.0	7.9		
Total Employment	85,640	85,250	84,220	0.5	1.7
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	70,310	71,210	69,480	-1.3	1.2
Goods-Producing Industries	14,170	14,330	13,440	-1.1	5.4
Natural Resources & Mining	1,600	1,640	1,650	-2.4	-3.0
Construction	5,420	5,590	4,930	-3.0	9.9
Manufacturing	7,150	7,100	6,860	0.7	4.2
Wood Product Manufacturing	2,740	2,740	2,820	0.0	-2.8
Other Manufacturing	4,410	4,360	4,040	1.1	9.2
Service-Providing Industries	56,140	56,880	56,040	-1.3	0.2
Trade, Transportation, & Utilities	13,820	13,800	13,550	0.1	2.0
Wholesale Trade	1,480	1,470	1,380	0.7	7.2
Retail Trade	10,590	10,550	10,510	0.4	0.8
Utilities	380	390	380	-2.6	0.0
Transportation & Warehousing	1,370	1,390	1,280	-1.4	7.0
Information	1,120	1,120	1,230	0.0	-8.9
Financial Activities	2,890	2,910	2,930	-0.7	-1.4
Professional & Business Services	6,150	6,210	7,020	-1.0	-12.4
Educational & Health Services	7,080	6,980	6,790	1.4	4.3
Leisure & Hospitality	7,810	8,500	7,350	-8.1	6.3
Other Services	2,090	2,110	2,190	-0.9	-4.6
Government Education	5,390	5,310	5,370	1.5	0.4
Government Administration	8,500	8,650	8,500	-1.7	0.0
Government Tribes	1,290	1,290	1,110	0.0	16.2

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

while the price of plywood rose from \$415 to \$610. By the last half of 2003, stronger lumber and plywood prices were bolstering mill and logging employment. In addition, Potlatch Corp. made a \$2.7 million upgrade last summer at its St. Maries complex, where it employs 330 people. The upgrade improved the efficiency of both the sawmill and the plywood plant as well as demonstrating Potlatch's lasting commitment to St. Maries.

- The Coeur d'Alene Tribe continued to add jobs in the Plummer area as well as expanded its casino just over the county line in Worley. This summer, the tribe broke ground for a \$2.2 million Early Learning Center near its Benewah Medical & Wellness Center in Plummer. The tribe also received a \$2.8 million federal grant to build a community technology center near its headquarters in Plummer that will allow it to offer broadband services to reservation residents.

- Benewah County's tourism industry remains small. In the first 11 months of 2003, hotel-motel receipts totaled \$293,000—less than 1.0 percent of the Panhandle's total hotel-motel receipts. The tribal casino is located in Kootenai County, but its revenues and employment opportunities flow to western Benewah County also. Last summer the tribe opened its golf course, and it should complete an expansion of the casino and its hotel this year. Benewah County also is gaining visitors from the recently completed Trail of the Coeur d'Alenes that runs from Mullan to Plummer along a former Union-Pacific railroad track. This fall, the tribe started construction on a parking lot and visitor center for the western end of the trail.
- In 2003, after four years of stagnation, Benewah County's nonfarm payroll employment appears to have increased by 70 jobs from its 2002 base of 3,408. For the first time since 1989, Benewah County's average unemployment rate for a year fell below 10 percent. In 2002, the unemployment rate was 11.6 percent; in 2003, it fell to 9.8 percent.
- Several 2003 construction projects laid the foundation for further economic growth. St. Maries completed a \$2.2 million downtown revitalization project including repaved streets and new sidewalks, streetlights, murals, and signs. Other major construction projects begun in 2003 included a \$1.9 million water treatment plant for St. Maries, a \$1.2 million reconstruction of the St. Maries floodwall, a \$1.2 million improvement of the St. Maries Airport, a \$750,000 addition to Benewah Community Hospital, and a \$500,000 upgrade of Plummer's sewage system.

Bonner County

- In 2003 Bonner County, home to 38,700 people, continued to expand its economic base, especially in *Manufacturing*, and laid the foundation for future tourism growth. Bonner County's *Nonfarm Payroll Jobs* rose 3.1 percent, from 12,517 jobs in 2002 to an estimated 12,900 jobs in 2003. The unemployment rate eased down from 8.8 percent in 2002 to 7.5 percent in 2003.
- While U.S. *Manufacturing* employment fell 14.8 percent between 2000 and 2003, Bonner County's *Manufacturing* employment grew 36.9 percent, from 1,388 to 1,900 jobs. Despite low lumber prices at the beginning of 2003, the county's wood product manufacturers managed to keep their employment stable around 860 jobs. With higher lumber prices entering 2004, there is potential for job growth at mills. Other manufacturing firms added more than 120 jobs between 2002 and 2003. Leading the manufacturing growth were these Sandpoint firms: Litehouse, salad dressings; Unicep Packaging, one-dose applicators for medicine, cosmetics, and other products; Packer Aircraft, aircraft; Die-drich Manufacturing, coffee roasting equipment; and

Smart Plugs, replacements for traditional spark plugs that are more reliable and efficient. Also swelling the manufacturing ranks were some small businesses recruited by the Bonner County Economic Development Corporation, including Mac's Custom Tie-Downs that opened in Sagle, and Freeze Manufacturing that opened a furniture plant in Priest River.

- *Tourism* was a mixed bag in 2003, because of the poor snow conditions in early 2003. Bonner County's hotel-motel receipts in the first 11 months of 2003 totaled \$11.0 million, marginally higher than \$10.9 million in the same months the year before. So far, 2004 looks great for tourism. Excellent snow conditions and continued improvements at Schweitzer Mountain Resort may make this the best winter season ever.
- Downtown Sandpoint is adding to its manifold charms with a \$1 million improvement project that includes new sidewalks, curbs, and lights, and the development of a town square. Sandpoint's quaint downtown, incredible scenery, reputation as a haven for artists, annual music festival, recreational opportunities, and lifestyle are the reasons why *Sunset* magazine recently named Sandpoint "the no. 1 small town to live in."
- Despite an overall strong economy, Bonner County's retail sector remained stagnant most of the year. The 13-year-old K-Mart in Ponderay closed in March, putting 70 people out of work. Taxable sales in Bonner County totaled \$71.1 million in the third quarter of 2003, down 3.6 percent from \$73.7 million in the same quarter the year before. As Bonner County's economy continues to generate jobs and attract even more tourists, retail sales are likely to pick up during 2004.

Boundary County

- The 10,000 residents of Boundary County endured the loss of a large, long-term employer in 2003. The Louisiana-Pacific (L-P) mill in Bonners Ferry closed its doors in 2003 putting 140 people out of work. That mill and the L-P mill in Moyie Springs were the two largest manufacturing operations in Boundary County. Riley Creek Lumber purchased the Moyie Springs mill in the fall.
- It will take some time to know how the community will withstand the shock of the mill closure. Fortunately, most of the county's other large employers are likely to stay stable or grow this year. Lumber prices have improved, which will help the remaining mills. Among the county's other largest employers are CEDU Service's schools and programs for youth including Rocky Mountain Academy; Anheuser-Busch's Elk Mountain hops farms; the Kootenai Tribe; the U.S. Forest Service; and the U.S. government's border patrol, customs, and immigration staff.

- Income losses arising from the mill closure and other problems in the forest products industry explain why taxable sales fell 1.2 percent from \$12.8 million in the third quarter of 2002 to \$12.7 million in the third quarter of 2003.
- Boundary County's flagship tourist enterprise, the Kootenai River Inn & Casino, plans to upgrade 47 hotel rooms by March before construction will begin on an underpass for pedestrians connecting the inn with downtown Bonners Ferry. Owned by the Kootenai Tribe and managed by Hagadone Hospitality, the 65-room inn includes an indoor-outdoor pool complex, three casinos, and a restaurant. It employs about 160 people. Hotel-motel receipts in Boundary County totaled \$2.3 million in the first 11 months of 2003, close to the record highs of the year before. In 2003, tourists visiting Idaho named Bonners Ferry "Idaho's Friendliest Town." During the next year, an International Gateway Visitors Center will open to greet tourists. Another factor likely to bring more visitors is the change in the value of the Canadian dollar. By December 2003, the Canadian dollar was worth 76 cents, up from its low point of 63 cents in September 2002. With their dollar purchasing more in the United States, more Canadians will come to North Idaho to play and shop.
- Boundary County Economic Development Corporation, the Kootenai Tribe, and the City of Bonners Ferry are working on several projects to foster economic development. Among their successes in 2003 was the establishment of Idaho's first Foreign Trade Zone at Eastport, which offers faster customs inspections and reduced or waived duties, tariffs, and quota limits. The zone may attract businesses to the county.
- Boundary County's unemployment rate changed marginally from 8.6 percent in 2002 to 8.5 percent in 2003. *Nonfarm Payroll Jobs* grew marginally from 3,188 in 2002 to 3,200 in 2003, but that's mostly because the 2003 annual average reflects only three months of the L-P mill closure.

Kootenai County

- In 2003, Kootenai County, home to 116,000 people, experienced considerable job dislocations including the loss of 900 jobs at the Center Partners call centers, the closure of the 30-employee Phillips Plastic plant, continued downsizing at some manufacturing operations, and a layoff of 67 employees from Stimson Lumber. Despite those dislocations, job gains exceeded job losses. The county's *Nonfarm Payroll Jobs* increased an estimated 1.8 percent, from 45,268 in 2002 to approximately 46,100 in 2003, and the county's unemployment rate fell from 8.2 percent in 2002 to 7.1 percent in 2003.
- *Construction* and related industries were the largest source of new jobs. In 2003, residential construction

continued to surge as it had in 2002, while commercial construction picked up.

- *Tourism* also added many new jobs, following the summer openings of Silverwood's 12-acre Boulder Beach water park and the Coeur d'Alene Tribal casino's golf course near Worley. In addition, Coeur d'Alene hosted the Ironman Triathlon, attracting thousands of visitors in June, which usually is a relatively slow month. The net result was that hotel-motel receipts rose 5.4 percent from \$33.81 million in the first eleven months of 2002 to \$35.6 million in the first eleven months of 2003. *Tourism's* growth spurt should continue in 2004, with Coeur d'Alene also hosting the 2004 triathlon, the Coeur d'Alene Tribe expanding the casino and its entertainment venues, the Coeur d'Alene Resort planning some expansion, and Silverwood preparing to introduce three water slides with a 62-foot high tower.
- In July 2003, *Manufacturing* quit losing jobs after 32 months of job losses. By the end of the year, higher lumber prices had stabilized the wood product industry and other manufacturers were emerging from the shadows of recent years. The net result was the addition of 50 manufacturing jobs between 2002 and 2003. In 2004, the *Manufacturing* sector may regain more of the 350 jobs it lost between 2000 and 2002. The *Manufacturing* sector will most likely entirely recover when Buck Knives opens its 250-employee manufacturing plant in Post Falls in early 2005.
- Health care continued to be one of the fastest growing sectors. This fall, Kootenai Medical Center (KMC) opened the first phase of its new heart care facility. KMC is the Panhandle's largest employer at a single site, employing 1,550 people. With further expansion in 2004, its employment could rise above 1,600. This fall, Northwest Specialty Hospital, a 47,000-square-foot facility conducting non-emergency surgeries, opened in Post Falls where it employs 70 people.
- One indication of a strengthening economy was the 11.5 percent increase in taxable sales from \$240.2 million in the third quarter of 2002 to \$267.9 million in the third quarter of 2003. More tourists, rising incomes, and this summer's opening of a Costco store in Coeur d'Alene should further boost retail sales in 2004. Improved retail activity should bolster the county's small *Wholesale Trade* sector, which will add about 220 jobs when Sysco opens a distribution center in Post Falls in the spring of 2005.

Shoshone County

- In 2003, the economy picked up slightly for Shoshone County, home to 13,000 people. By the end of 2003, it appeared possible that 2004 may revitalize the county's sagging *Mining* sector and begin a second spurt of growth for its *Tourism* sector.

- In the last half of 2003, silver prices began rising. By December 2003, silver prices averaged \$5.62 an ounce—99 cents more than in December 2002. By January 9, silver prices had risen above \$6.25 an ounce. Higher silver prices and promising developments at mining operations could bring more mining jobs in 2004.
- Coeur d'Alene Mines plans to increase production at the Galena mine near Silverton over the next few years. Three years from now, it expects to be producing seven million ounces of silver a year. In 2002, the mine produced 5.3 million ounces. The Galena laid off 26 miners last summer. By 2006, the Galena workforce could increase from the current 167 workers to 250.
- Hecla Mining expects to hire 45 people at the Lucky Friday mine near Mullan by 2005. Currently, 94 people work at the Lucky Friday. Hecla Mining plans to drive a 5,500-foot drift on the 5900 level (more than a mile below the earth's surface). The development drift is expected to allow the mine to double production to 4 million ounces of silver per year. Production from the new level is expected to begin in late 2005 with anticipated cash costs of production of less than \$4.50 per ounce of silver.
- The Sunshine mine's hoist is running again, generating some hope that the legendary mine near Kellogg may reopen. The mine that produced more silver than the entire Comstock Lode closed in February 2001. In June 2003, Sterling Mine lease-optioned the mine, and began assessing the feasibility of reopening the mine. Teams currently are reviewing the mine's infrastructure. They soon will begin exploring the mine starting with its 10-square-mile surface and eventually going 6,000 feet down into its very depths. When it closed, the Sunshine Mine employed more than 260 people.
- Tele-Services Innovations (TSI) closed its Smelterville call center at the end of July, putting about 80 people out of work. The Smelterville call center opened in 2001. Fortunately, the building didn't remain empty for long. A subsidiary of the Northpoint Financial Group (NFG), a California-based provider of financial and insurance services, is leasing the former TSI facility. According to Vince Rinaldi of the Silver Valley Economic Development Corporation, "One of the biggest draws was the profitability of the prior employees that worked at TSI. Hats off to the valley work force, because they were a real draw." NFG initially will hire about 25 workers for its Smelterville operation in the next couple of months.
- The long-term prospects for Shoshone County's *Tourism* industry look good. Poor weather conditions during the 2002-2003 ski season decreased hotel-motel receipts 5.4 percent from \$2.4 million in the first 11 months of 2002 to \$2.2 million in the first 11 months of

2003. Great snow conditions have made this ski season a success, and future prospects for winter tourism shine brightly. Lookout Pass Ski Area along Interstate 90 near the Idaho-Montana border added five new ski runs and a double chairlift this season. The additions are part of a \$4 million plan to upgrade the ski area over five years. Lookout plans to build a 4,000-square-foot addition on its lodge this year. Over the next four years it will add more ski runs and chairlifts. In 2003, Silver Mountain Resort renovated the gondola, added four new ski runs, created a terrain park, and opened a discovery center at the gondola's base. *Ski* magazine proclaimed it one of the "three best mountains you've never skied" in its January issue. Next spring, construction will begin on the Morning Star condominiums, and additional expansion is planned at the base of the gondola. Over time, Eagle Crest plans to develop a golf course, add 800 acres of ski terrain, and create a retail village. Two major biking and walking trails, which are relatively new and have received glowing reviews, also are bringing more tourists to the county.

- A sign that the economy is improving was the decrease of Shoshone County's unemployment rate from 11.4 percent in 2002 to 11.0 percent in 2003. *Non-farm Payroll Jobs* grew an estimated 2.1 percent, from 4,115 in 2002 to about 4,200 in 2003. *Construction, Financial Activities, and Health Services* were the main sources of new jobs.
- The surging economy in late 2003 also is reflected in the 11.3 percent increase in taxable sales from \$24.7 million in the third quarter of 2002 to \$27.4 million in the third quarter of 2003. The county's *Service-Providing Industries*, led by its retail and health care sectors, promise to add more jobs in 2004. This fall, Shoshone Medical Center began construction of an \$18 million 25-bed hospital to replace its current building, and American West Bank celebrated the grand opening of its Wallace branch on November 20. Dave Smith Motors, the auto dealer that is the county's largest employer, continued to be a source of strength in 2003.

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SEAPORT

NORTH CENTRAL IDAHO: CLEARWATER, IDAHO, LATAH, LEWIS, & NEZ PERCE COUNTIES

EMPLOYMENT TRENDS

Seaport's seasonally adjusted unemployment rate in November decreased to 3.9 percent from October's rate of 4.2 percent. In November 2002 the rate was 4.8 percent. Despite the decrease in the unemployment rate, *Nonfarm Payroll Jobs* increased slightly in November by 40 from October 2003. Year-over-year there was a significant decrease of 1,050 jobs from November 2002. October's increase in jobs was mainly a result of increases in *Leisure & Hospitality*; however, the increase was slight. Holiday hiring slowed this year with an increase of only 20 jobs in *Retail Trade* from November 2002.

SPECIAL TOPIC: Area Economic Developments—2003 Clearwater County

- Orofino and Clearwater County will receive \$1 million to address economic losses caused by the annual drawdown of Dworshak Reservoir for fish migration purposes. According to a University of Idaho study, the drawdowns cause short-term losses of up to \$1.35 million in sales each year and the loss of 36 jobs.
- The 2003 fire season had a dual economic impact. Tourism was lost as roads were closed and smoke obscured views. Businesses, whose livelihoods are in the forests, were restricted. On the other hand, even with the loss of tourists, merchants were able to increase sales to fire fighters who needed supplies. Equipment contractors were also able to lease equipment to the U.S. Forest Service to fight fires.
- Tourism associated with chinook salmon fishing is playing a bigger

Seaport Table 1: Labor Force & Employment
Nez Perce County, Idaho and Asotin County, Washington

	Nov 2003*	Oct 2003	Nov 2002	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	35,620	35,260	34,790	1.0	2.4
Unemployment	1,380	1,470	1,670	-6.1	-17.4
% of Labor Force Unemployed	3.9	4.2	4.8		
Total Employment	34,240	33,790	33,120	1.3	3.4
Unadjusted					
Civilian Labor Force	35,420	34,870	34,590	1.6	2.4
Unemployment	1,330	1,250	1,590	6.4	-16.4
% of Labor Force Unemployed	3.8	3.6	4.6		
Total Employment	34,090	33,620	33,000	1.4	3.3
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	26,330	26,290	27,380	0.2	-3.8
Goods-Producing Industries	4,380	4,410	4,480	-0.7	-2.2
Natural Resources & Mining	180	200	220	-10.0	-18.2
Construction	1,010	1,030	1,100	-1.9	-8.2
Manufacturing	3,190	3,180	3,160	0.3	0.9
Wood Product Manufacturing	560	540	550	3.7	1.8
Food Manufacturing	60	60	90	0.0	-33.3
Paper Manufacturing	1,210	1,220	1,180	-0.8	2.5
Other Manufacturing	1,360	1,360	1,340	0.0	1.5
Service-Providing Industries	21,950	21,880	22,900	0.3	-4.1
Trade, Transportation & Utilities	5,490	5,530	5,550	-0.7	-1.1
Wholesale Trade	610	630	660	-3.2	-7.6
Retail Trade	3,620	3,610	3,600	0.3	0.6
Utilities	90	90	90	0.0	0.0
Transportation & Warehousing	1,170	1,200	1,200	-2.5	-2.5
Information	350	360	390	-2.8	-10.3
Financial Activities	1,600	1,590	1,810	0.6	-11.6
Professional & Business Services	1,400	1,370	1,470	2.2	-4.8
Education & Health Services	3,790	3,770	3,900	0.5	-2.8
Leisure & Hospitality	2,610	2,550	2,640	2.4	-1.1
Other Services	960	970	1,110	-1.0	-13.5
Government Education	2,380	2,320	2,460	2.6	-3.3
Government Administration	2,490	2,550	2,680	-2.4	-7.1
Government Tribes	880	870	890	1.1	-1.1

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

role in the county's economy. River guides and outfitters hosted people from as far away as England, Ireland, and even Japan.

- The build-up to the Lewis and Clark Corps of Discovery bicentennial observance has injected new energy into Clearwater County. A re-enactment of the historical meeting in 1805 between the Corps of Discovery and the Nez Perce Indians was played out in May.
- Orofino's new \$2 million business park building was opened. Two tenants signed leases. The first company to sign a lease

was, Architectural Signs and Engraving Inc. (ASE), a company that specializes in Americans with Disabilities Act (ADA) signs and other specialty signs. The company has customers throughout the United States, is locally owned, and will occupy half of the building. The other tenant will be Seismic Tech, a company that produces earthquake safety valves, which cut off the flow of natural gas and propane to homes and businesses during unexpected ground movements. Seismic Tech delayed operations because new manufacturing equipment didn't test out to specifications and was sent back to suppliers.

- Orofino's Clearwater Valley Hospital, the only emergency room in the 112-mile span between Lewiston, Idaho, and Missoula, Montana, received \$500,000 to expand the emergency room.
- The Orofino Airport received a \$150,000 grant from the Federal Aviation Administration for airport improvements.

Idaho and Lewis Counties

- Syringa General Hospital in Grangeville broke ground in June on a \$240,000 ambulance shed and community meeting room. The building will be 3,600-square feet including a 1,000-square-foot classroom/meeting room. The hospital also acquired a helical computed tomography (CT) system from Toshiba Medical Systems. The equipment allows more exams to be done in Grangeville rather than sending a patient on to Lewiston or elsewhere.
- Most lumber mills in both counties dropped down to running a single shift in the first half of 2003 before rebounding in the last half. Mill owners blamed reductions in timber sales from federal forests and low prices for finished lumber. Prices for finished lumber rebounded in the last half of 2003 and multiple shifts were restored.
- Officials at Bennett Forest Industries considered moving their mills at Elk City and Grangeville to the Lewiston-Clarkston Valley. However, that decision was put on hold due to a rebound of higher prices for lumber.
- Nearly \$1.3 million in federal funds was awarded to several infrastructure projects in Idaho and Lewis Counties that will benefit eco-

nomic development. The grants included \$77,060 for improvements to the Tahoe emergency services facility and \$144,668 to construct a new community center in Greencreek. Stites will receive \$500,000 to connect the town into the Kooskia wastewater system. White Bird will also receive \$500,000, which will be used for water system improvements.

- According to a report by the Idaho Fish and Wildlife Foundation, the 2003 salmon season was worth \$90 million to the Idaho economy. Locally salmon fishing resulted in more than \$3 million in spending in Kooskia. The town of Riggins benefited the most in the state with \$10.1 million in direct spending by individuals because of fishing.
- Nearly \$.25 million in federal, state, and local funding was granted toward general maintenance improvements at the Idaho County Airport in Grangeville.
- The Benedictine Sisters at the Monastery of St. Gertrude near Cottonwood are planning a building and renovation project. "The number of people who come each year to the monastery for retreat and spiritual rest has nearly doubled since 1999," said Sister Lalande. The new spirituality and retreat center will include meeting and conference rooms, office space, and several bedrooms for guests.
- A new trip down old railroad tracks has gained interest. The six tunnels hollowed through the rock canyon walls have seen few people in the last 45 years, but a new tourist company has teamed up with BG&CM Railroad to add tourism to the line. The new company plans to use 15-passenger vans with hi-rail capability to take passengers on the line.

Latah County

- The Pullman-Moscow Regional Airport Board is looking closely at plans that could lead to a new business development park at the airport.
- University Pointe, a retail and professional building on Sixth Street in Moscow, was completed in June.
- Officials at the University of Idaho (UI) say world events, such as the 9-11 attacks and the recent war in Iraq, have led to more federal money being directed to homeland security and

Continued on page 26



TREASURE VALLEY

ADA, ADAMS, BOISE, CANYON, ELMORE, GEM, OWYHEE, PAYETTE, VALLEY, & WASHINGTON COUNTIES

EMPLOYMENT TRENDS

The Boise City Metropolitan Statistical Area's (MSA) average annual unemployment rate for November 2003 was 4.8 percent, as shown in Treasure Valley Table 1. This was three-tenths of a percentage point below the October 2003 rate of 5.1 percent and eight-tenths of a percentage point below the November 2002 rate of 5.6 percent. Month-over-month the number of employed persons increased by 1,900, or 0.8 percent, from October 2003 and the number of unemployed individuals decreased by 800 individuals, or 6.4 percent. The increasing number of persons employed and the decreasing number of persons unemployed created an overall increase of 1,100 individuals, or 0.4 percent, in the *Civilian Labor Force* from October 2003. Year-over-year, the number of employed persons decreased by 400, or 0.2 percent, and the number of unemployed individuals decreased by 2,300 individuals or 16.4 percent, creating a net decrease in the *Civilian Labor Force* of 2,700 individuals, or 1.1 percent, in the *Civilian Labor Force* from November 2002. The *Civilian Labor Force* figures for November 2003 for all ten counties in Southwest Idaho are shown in Treasure Valley Table 2.

Treasure Valley Table 2: November 2003 Seasonally Adjusted Labor Force Figures for Southwest Idaho Counties				
	Civilian Labor Force	Number Unem- ployed	Percent Unem- ployed	Number Employed
Ada	176,744	7,063	4.0	169,681
Adams	1,896	354	18.7	1,542
Boise	2,628	204	7.8	2,423
Canyon	69,829	4,656	6.7	65,172
Elmore	9,692	568	5.9	9,124
Gem	5,760	401	7.0	5,359
Owyhee	4,456	81	1.8	4,374
Payette	9,501	779	8.2	8,722
Valley	3,948	335	8.5	3,614
Washington	4,181	392	9.4	3,789
Statewide	689,397	34,884	5.1	654,513

Treasure Valley Table 1: Boise MSA Labor Force & Employment
Ada and Canyon Counties

	Nov 2003*	Oct 2003	Nov 2002	% Change Last Month	% Change Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	246,600	245,500	249,300	0.4	-1.1
Unemployment	11,700	12,500	14,000	-6.4	-16.4
% of Labor Force Unemployed	4.8	5.1	5.6		
Total Employment	234,900	233,000	235,300	0.8	-0.2
Unadjusted					
Civilian Labor Force	246,800	243,300	251,000	1.4	-1.7
Unemployment	11,500	11,400	13,700	0.9	-16.1
% of Labor Force Unemployed	4.7	4.7	5.4		
Total Employment	235,300	231,900	237,300	1.5	-0.8
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	232,400	232,000	230,100	0.2	1.0
GOODS-PRODUCING INDUSTRIES	45,700	45,900	47,000	-0.4	-2.8
Natural Resources & Construction					
Manufacturing	15,700	15,900	15,800	-1.3	-0.6
Durable Goods	30,000	30,000	31,200	0.0	-3.8
Wood Product Manufacturing	23,100	23,000	24,200	0.4	-4.5
Fabricated Metal Products Mfg.	1,700	1,700	2,000	0.0	-15.0
Machinery Manufacturing	1,300	1,400	1,400	-7.1	-7.1
Computer & Electronic Manufacturing	1,200	1,200	1,200	0.0	0.0
Transportation Equipment Mfg.	14,500	14,400	15,300	0.7	-5.2
Other Durable Goods	1,600	1,600	1,500	0.0	6.7
Nondurable Goods	2,800	2,700	2,800	3.7	0.0
Food Manufacturing	6,900	7,000	7,000	-1.4	-1.4
Printing & Related Support Activities	5,300	5,400	5,300	-1.9	0.0
Other Nondurable Goods	700	700	800	0.0	-12.5
SERVICE-PROVIDING INDUSTRIES	900	900	900	0.0	0.0
Trade, Transportation, & Utilities	186,700	186,100	183,100	0.3	2.0
Trade	45,700	45,300	45,300	0.9	0.9
Wholesale Trade	38,700	38,100	38,400	1.6	0.8
Wholesalers, Durable Goods	10,700	10,700	10,200	0.0	4.9
Wholesalers, Nondurable Goods	6,600	6,600	6,400	0.0	3.1
Retail Trade	2,800	2,800	3,100	0.0	-9.7
Food & Beverage Stores	28,000	27,400	28,200	2.2	-0.7
General Merchandise Stores	4,100	4,100	4,300	0.0	-4.7
All Other Retail Trade	6,400	6,100	6,400	4.9	0.0
Transportation, Warehousing, & Utilities	17,500	17,200	17,500	1.7	0.0
Utilities	7,000	7,200	6,900	-2.8	1.4
Transportation & Warehousing	600	700	700	-14.3	-14.3
Information	6,400	6,500	6,200	-1.5	3.2
Telecommunications	3,700	3,700	3,600	0.0	2.8
Financial Activities	1,400	1,400	1,300	0.0	7.7
Finance & Insurance	12,300	12,200	12,100	0.8	1.7
Real Estate & Rental & Leasing	9,300	9,300	8,900	0.0	4.5
Professional & Business Services	3,000	2,900	3,200	3.4	-6.3
Professional, Scientific, & Technical	33,800	34,100	31,600	-0.9	7.0
Management of Companies & Ent.	9,400	9,400	10,100	0.0	-6.9
Administrative & Support & Waste Mgmt.	6,700	6,800	6,800	-1.5	-1.5
Educational & Health Services	17,700	17,900	14,700	-1.1	20.4
Educational Services	28,600	28,300	27,300	1.1	4.8
Health Care & Social Assistance	2,500	2,400	2,100	4.2	19.0
Hospitals	26,100	25,900	25,200	0.8	3.6
Leisure & Hospitality	9,200	9,200	8,900	0.0	3.4
Arts, Entertainment, & Recreation	19,600	19,600	19,700	0.0	-0.5
Accommodation & Food Services	2,700	2,700	2,400	0.0	12.5
Accommodation	16,900	16,900	17,300	0.0	-2.3
Food Services & Drinking Places	1,900	2,000	2,000	-5.0	-5.0
Other Services	15,000	14,900	15,300	0.7	-2.0
Total Government	6,800	6,800	6,700	0.0	1.5
Federal Government	36,200	36,100	36,800	0.3	-1.6
State & Local Government	5,200	5,300	5,400	-1.9	-3.7
State Government	31,000	30,800	31,400	0.6	-1.3
State Government Education	14,000	14,100	14,000	-0.7	0.0
State Government Administration	4,300	4,400	4,600	-2.3	-6.5
Local Government	9,700	9,700	9,400	0.0	3.2
Local Government Education	17,000	16,700	17,400	1.8	-2.3
Local Government Administration	9,800	9,600	10,100	2.1	-3.0
	7,200	7,100	7,300	1.4	-1.4

* Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

In the Boise City MSA *Nonfarm Payroll Jobs* increased by 400, or 0.2 percent, from October 2003 to November 2003 while over the year, *Nonfarm Payroll Jobs* gained 2,300 jobs, or 1.0 percent, in the Boise City MSA. Month-over-month, *Goods-Producing Industries* lost 200 jobs with job decreases noted in *Natural Resources, Mining & Construction* (-200 jobs), *Fabricated Metal Products Manufacturing* (-100 jobs), and *Food Product Manufacturing* (-100 jobs) while job gains were noted in *Computer & Electronic Products Manufacturing* (100 jobs) and *Other Durable Goods Manufacturing* (100 jobs). Year-over-year, *Goods-Producing Industries* lost 1,300 jobs with job decreases noted in *Natural Resources, Mining & Construction* (-100 jobs), *Wood Product Manufacturing* (-300 jobs), *Fabricated Metal Products Manufacturing* (-100 jobs), *Computer & Electronic Product Manufacturing* (-800 jobs), and *Printing and Related Support Activities* (-100 jobs) while job gains were only noted in *Transportation Equipment Manufacturing* (100 jobs).

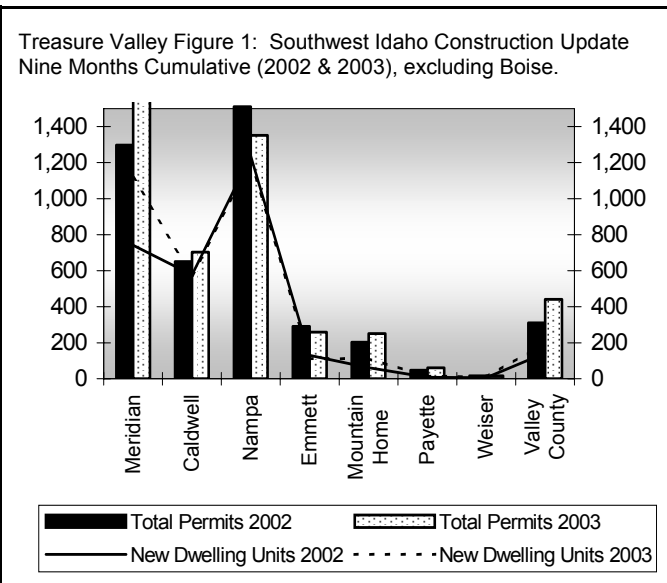
In *Service-Providing Industries*, jobs gained outweighed jobs lost by 600 in the Boise City MSA from October 2003 to November 2003. Job gains were experienced in *General Merchandise Stores* (300 jobs), *All Other Retail Trade* (300 jobs), *Real Estate & Rental & Leasing Services* (100 jobs), *Educational Services* (100 jobs), *Health Care & Social Assistance Services* (200), *Food Services & Drinking Places* (100 jobs), *Local Government Education* (200 jobs), and *Local Government Administration* (100 jobs). Job losses occurred in *Utilities Services* (-100 jobs), *Transportation & Warehousing Services* (-100 jobs), *Management of Companies & Enterprises* (-100 jobs), *Accommodation Services* (-100 jobs), *Federal Government* (-100 jobs), and *State Government Education* (-100 jobs). Year-over-year, *Service-Providing Industries* gained 3,600 jobs, with job gains noted in *Durable Goods Wholesale Trade* (200 jobs), *Transportation & Warehousing Services* (200 jobs), *Information Services* (100 jobs), *Telecommunications Services* (100 jobs), *Finance & Insurance Services* (400 jobs), *Administrative & Support & Waste Management Services* (3,000 jobs), *Educational Services* (400 jobs), *Health Care & Social Assistance Services* (900 jobs) including *Hospitals* (300 jobs), *Arts, Entertainment, & Recreation Services* (300 jobs), *Other Services* (100 jobs), and *State Government Administration* (300 jobs). Job losses were noted in *Nondurable Goods Wholesale Trade* (-300 jobs), *Food and Beverage Stores* (-200 jobs), *Utilities Services* (-100 jobs), *Real Estate & Rental & Leasing Services* (-200 jobs), *Professional, Scientific, & Technical Services* (-700 jobs), *Management of Companies & Enterprises* (-100 jobs), *Accommodation Services* (-100 jobs), *Food Services & Drinking Places* (-300 jobs), *Federal Government* (-200 jobs), *State Government Education* (-300 jobs), *Local Government Education* (-300 jobs), and *Local Government*

Administration (-100 jobs). The slow growth of jobs over the year is consistent with the downturn and slow recovery that the national economy has been experiencing since January 2001.

SPECIAL TOPICS:

Construction in 2002

Treasure Valley Table 3 and Treasure Valley Figure 1 (below) show the nine-month cumulative comparison of new dwelling units and total permits for Southwest Idaho in 2002 and 2003. The City of Nampa showed the largest number of new dwellings built in



Treasure Valley Table 3: Southwest Idaho Construction Update—Nine Month Cumulative

New Dwelling Units				
	2002	2003	change	% change
Boise	758	1,019	261	34.4
Meridian	741	1,116	375	50.6
Caldwell	577	574	-3	-0.5
Nampa	1,237	1,206	-31	-2.5
Emmett	130	111	-19	-14.6
Mountain Home	62	111	49	79.0
Payette	9	15	6	66.7
Weiser	6	9	3	50.0
Valley County	143	198	55	38.5
Total Permits				
	2002	2003	change	% change
Boise	10,814	10,869	55	0.5
Meridian	1,298	1,722	424	32.7
Caldwell	651	703	52	8.0
Nampa	1,510	1,352	-158	-10.5
Emmett	291	259	-32	-11.0
Mountain Home	202	251	49	24.3
Payette	47	61	14	29.8
Weiser	17	17	0	0.0
Valley County	311	441	130	41.8

Construction statistics originated in Wells Fargo's Idaho Construction Report, Volume 50 Number 9.

2003 with 1,206 units, including 965 single-family dwelling units and 234 multi-family dwelling units. This is a decrease of 2.5 percent from 2002 when during the same time period, a total of 1,237 dwelling units were built in Nampa, including 1,162 single-family dwellings and 68 multi-family dwelling units. Overall, the area experienced a 19.0 percent increase in the number of dwelling units built. The cities of Mountain Home, Payette, Meridian, Weiser, and Valley County experienced increases of 79.0 percent, 66.7 percent, 50.6 percent, 50.0 percent, 38.5 percent, and 34.4 percent, respectively. The areas that experienced a decrease in construction over the year were Emmett, Nampa, and Caldwell with decreases of 14.6 percent, 2.5 percent, and 0.5 percent, respectively.

Treasure Valley Table 3 on page 14 also shows the total number of construction permits allowed in Southwest Idaho from January through September 2002 and 2003. The City of Boise had the largest number of permits approved in 2003 at 10,869. This is an increase of 55 permits, or 0.5 percent, over the same time period in 2002. Other areas that experienced an increase in approved building permits included Caldwell, Mountain Home, Payette, Meridian, and Valley County with increases of 8.0 percent, 24.3 percent, 29.8 percent, 32.7 percent, and 41.8 percent, respectively. Nampa and Emmett were the only areas to experience a loss in the number of permits approved over the same time period with decreases of 10.5 percent and 11.0 percent, respectively. The construction permits account for new residential, new nonresidential, and additions, alterations, and repairs of existing buildings.

AREA DEVELOPMENTS

Boise City MSA

- T-Mobile, a wireless telephone provider, announced in mid-December that it would start building a new customer service center in Meridian. The new call center will be constructed in the SilverStone Corporate Center on Eagle Road. The 77,000-square-foot center could employ at least 600 full-time employees who will handle incoming customer service calls. All jobs at T-Mobile will be full-time jobs with benefits, and the pay will start between \$9.50 and \$11.00 per hour. The company plans to hire and train between 100 and 150 customer service representatives in Spring 2004, opening the service center during Summer 2004 and hiring additional employees for its full staff in December 2005. T-Mobile currently has 22,000 employees nationwide and is based in Bellevue, Washington.
- BoDo Partners announced in late 2003 that Metropolitan Rocky Mountain Resort Cinemas (a joint

venture of Metropolitan Theatres of Los Angeles and Rocky Mountain Cinemas of Ketchum) would own and operate the 11-screen, 2,200-seat multiplex currently under construction at the 8th Street site in downtown Boise. The \$7 million cinema is part of the \$62 million redevelopment effort that includes an 11-story building. Hampton Inn & Suites Hotel will occupy the top seven stories of the building to be constructed at the corner of Capitol Boulevard and Myrtle Street. Other plans for the site include construction of a parking garage, retail establishments, and office space. Construction on the hotel and parking garage is expected to be completed in late 2004, while the theater is slated to open in February 2005.

- Boise Cascade Corporation announced plans to purchase OfficeMax in July 2003; the merger was approved in early December. More than 99 percent of OfficeMax shareholders and 77 percent of Boise Cascade shareholders approved the merger. The \$1.4 billion deal more than doubles Boise Cascade's office products revenue. Company officials stated that the "acquisition of OfficeMax represents a major step in the transformation of Boise's office products distribution business and Boise as a whole." Analysts suggest that this deal appears to have finalized the company's shift away from wood products.
- Washington Group International (WGI) announced in early December that it was one of 22 companies selected by the U.S. Air Force Center for Environmental Excellence to provide environmental remediation, construction, and engineering services worldwide. The contract has a ceiling of \$4 billion of all individual tasks awarded over the next five years.
- The Boise Parks and Recreation Department announced in late December that it purchased Idaho Ice World from the J.R. Simplot Trust for \$1 million. The \$1 million price tag is far less than the \$9 million value of the facility and was funded through impact fees (a tax on new development). The city took ownership of the facility on January 1 and within the next few months, the Boise Parks and Recreation Department will consider adding other recreational opportunities to the center, including volleyball and basketball.
- Sears Credit Center was acquired by Citigroup in November and currently employs 1,000 people at the Citicards Operations Center on Emerald Street in Boise. Citigroup hired 95 workers in November and an additional 89 in December. The company planned to hire 101 more people in early 2004. The

company did not state how many people would ultimately be hired at the operations center. New employees earn \$9.50 an hour; benefits are offered to employees that work at least 20 hours per week. Citigroup, a worldwide financial company, services more than 200 million customer accounts.

- The Swiss Village Cheese Company closed its restaurant and retail shop on December 31, 2003. Company officials decided that the café and retail shop was not compatible with the growing focus on cheese production at the plant. The closure was supposed to affect 24 employees, some of whom moved to other jobs at the plant. Swiss Village is owned by Sorrento Lactalis.
- Amalgamated Sugar in Nampa recently installed a new 4-million gallon storage tank. The new tank is the company's tenth on the property, and it will store processed "thick juice" extracted from sugar beets, which is used to make granulated sugar. The new storage tank was added to deal with the extra sugar beets that were harvested this year. The new tank is expected to decrease some bottlenecks in the production. Currently, the line can process beets twice as fast as it can process thick juice into sugar, which slows down production. With the new storage facility, there is an additional storage facility that should speed up the production process by alleviating the bottleneck.
- Other recent business happenings in the Boise City MSA include: a new Primo's pizza shop opened on Caldwell Boulevard in Nampa; construction continues on the \$6.8 million Franklin Road widening project, which is expected to continue through Fall 2004; a new River Rock Alehouse is scheduled to open in at Overland and Maple Grove in south Boise in late January; the February 3 election to establish a Boise Auditorium District for construction of a proposed downtown convention center failed to capture a two-thirds majority vote.

Boise County

- Bogus Basin Mountain Resort opened the new Pepsi GoldRush Tubing Hill in mid-November along with the Nordic Center, which offers cross country skiing, snowshoeing, and skate skiing. The resort also opened the mountain to skiers and snowboarders in mid-December for day and night skiing.

Elmore County

- Silver Wings, the community-based group that helped finance the fall annual Air Show at Mountain Home Air Force Base, donated almost all of its

profits to the community. The group donated \$23,500 in profits from the air show to 32 different charitable base and town organizations to continue or expand different projects. Only \$5,000 remained as seed money for the next air show.

- Chek Pointe Financial Services Center recently opened at 2155 Airbase Road in Mountain Home. The business offers the following services: check cashing, payday loan service, sending and/or receiving money through Western Union, electronic bill paying, money orders, fax services, notary public services, copies, and stamps. The business is open weekdays from 10:00 a.m. to 6:00 p.m.

Payette County

- The Idaho Department of Commerce recently awarded a \$460,000 grant to Payette residents for the construction of a new 1-million gallon reservoir that will be constructed at the site of the current reservoir site west of South 20th Street. The project is scheduled for completion June 30, 2004.

Valley County

- Brundage Mountain Resort opened on November 26 for the 2003-2004 season. The resort is expected to open five new runs this winter.
- A New Jersey lender recently loaned \$18 million to Tamarack Resort near Donnelly. Kennedy Funding, a private lender that specializes in financing resort, golf course, and commercial real estate projects, provided the loan to Tamarack. Resort officials said that the funding is a strong endorsement of the resort's chance of success. The lender performed a comprehensive review of the resort before the money was loaned to Tamarack. Kennedy Funding officials praised Tamarack by stating that "this is clearly the next Sun Valley...Tamarack sits on a premium site and offers a world-class ski mountain with a Nordic ski trail system totaling 65 miles; a beautiful lake...and three golf courses." The resort continues to develop the project's infrastructure; crews continue to construct roads, clear trees for ski runs and the golf course, install utilities, and construct homes and commercial buildings. There are ski-cat opportunities, as well as snowshoeing and cross-country skiing, currently available at the Tamarack site.

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MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

EMPLOYMENT TRENDS

The seasonally adjusted unemployment rate for the Magic Valley Labor Market Area (LMA) was 4.0 percent in November 2003. This was three-tenths of a percentage point lower than the October 2003 rate and one-tenth of a percentage point less than the rate in November 2002. The *Civilian Labor Force* totaled 55,610 workers, up 5,060 or 10 percent year-over-year. The trend of low unemployment coupled with the increase in the *Civilian Labor Force* indicates that job growth, rather than workers dropping out of the work force, caused this positive trend in unemployment.

The total of *Nonfarm Payroll Jobs* for November 2003 was 43,720, which was 300 more than in October 2003 and 2,790 more than in November 2002 for a year-over-year increase of 6.8 percent. The sectors that showed significant increases from November 2002 were *Construction*, *Professional & Business Services*, and *Educational & Health Services* with increases of 9.7, 23.9, and 22.6 percent, respectively. Only one sector, *Utilities*, showed a decrease. All other sectors broke even or had modest growth from last year.

The *Retail Trade* sector grew 3.5 percent year-over-year. In Twin Falls, especially, there were new stores opening. Holiday hiring also was very good this year, which was spurred on by excellent consumer spending. The western Magic Valley economy continued to be a state leader. In addition, retail hiring in the Mini-Cassia area was better than expected. Most retailers showed optimism in the future of the Mini-Cassia area and consumers responded by spending money. The Blaine County economy also showed positive retail strength. A combination of artificial snowmaking and excellent natural snowfall has led to good early tourism bookings and consumers responded in an optimistic fashion.

The large increase in *Construction* jobs year-over-year has provided a positive

Magic Valley Table 1: Labor Force & Employment
Twin Falls, Jerome, and Gooding Counties

	Nov 2003*	Oct 2003	Nov 2002	% Change From Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	55,610	54,870	50,550	1.3	10.0
Unemployment	2,200	2,340	2,090	-6.0	5.3
% of Labor Force Unemployed	4.0	4.3	4.1		
Total Employment	53,410	52,530	48,460	1.7	10.2
Unadjusted					
Civilian Labor Force	55,740	55,100	50,640	1.2	10.1
Unemployment	2,100	1,940	1,990	8.2	5.5
% of Labor Force Unemployed	3.8	3.5	3.9		
Total Employment	53,640	53,160	48,650	0.9	10.3
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	43,720	43,420	40,930	0.7	6.8
Goods-Providing Industries	8,110	8,170	7,920	-0.7	2.4
Natural Resources & Mining	30	20	30	50.0	0.0
Construction	2,380	2,390	2,170	-0.4	9.7
Manufacturing	5,700	5,760	5,730	-1.0	-0.5
Food Manufacturing	3,670	4,120	3,820	-10.9	-3.9
Other Manufacturing	2,030	1,640	1,910	23.8	6.3
Service-Providing Industries	35,610	35,250	33,000	1.0	7.9
Trade, Transportation & Utilities	10,150	10,290	9,870	-1.4	2.8
Wholesale Trade	1,870	1,840	1,830	1.6	2.2
Retail Trade	5,990	6,090	5,790	-1.6	3.5
Utilities	160	190	210	-15.8	-23.8
Transportation & Warehousing	2,130	2,170	2,040	-1.8	4.4
Information	500	510	490	-2.0	2.0
Financial Activities	1,750	1,760	1,670	-0.6	4.8
Professional & Business Services	6,530	6,380	5,270	2.4	23.9
Educational & Health Services	3,740	3,600	3,050	3.9	22.6
Leisure & Hospitality	3,650	3,730	3,580	-2.1	2.0
Other Services	1,500	1,410	1,450	6.4	3.4
Government Education	3,670	3,570	3,500	2.8	4.9
Government Administration	4,120	4,000	4,120	3.0	0.0

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

stimulus to the local economy. New stores and office complexes, coupled with a record year in housing starts in Twin Falls, has stimulated all types of construction including heavy construction projects such as road repairs and commercial buildings. Also, new housing construction has been excellent and will continue, at least in the short term, as weather improves and homes are built. The construction jobs tend to pay higher-than-average wages, which is also beneficial to the economy.

The agricultural sector is an area of concern. The recent discovery of mad cow disease in the United States had a quick and negative effect on the beef market. The beef market, which had been on the rise as consumer demand for beef increased significantly for the first time in a long time, suffered ten to twenty percent overall price drops and the foreign export market for U.S. beef dried up virtually overnight. The real test of the market will be how well consumers have faith in new government measures to

minimize the negative impact and how consumers feel concerning overall meat safety. The export market, always shaky, will take some time to restore. The recent Atkins diet trend, which promotes eating high protein foods and minimizing carbohydrate intake, had been stimulating increased demand for meat and this could also help in market recovery. The potato market is also a concern in the agricultural sector. The overall open market has been better than expected, but the French fry market has been extremely soft. The Atkins diet restrictions on carbohydrates has had an impact on the market and has hurt the processed potato market. Also, specialty French fries that may have been treated in beef tallow are coming under intense scrutiny as a potential health risk factor, along with fears generated by the mad cow disease scare. On the positive side, the water outlook is much better than before. Winter snowfall thus far has contributed enough moisture to put most water areas over 100 percent of normal. This needs to continue throughout the winter to meet the water needs of the 2004 growing season. The 2003 sugar beet crop was one of the best quality crops in recent memory. Adequate water and warm temperatures helped a great deal. Other commodity outlooks are average to good. Pork and poultry markets have shown increases as the beef market has had problems. The overall outlook for agriculture is guardedly optimistic.

The overall outlook for South Central Idaho is generally good as well. So far, the water year looks better than it has in the last couple of years, which is good news for agriculture as well as tourism. It is expected that unemployment for the Magic Valley LMA will probably remain in the 4.0 to 4.5 percent range. The diversified economy that has developed over the past three or four years with new technology and light manufacturing sectors, coupled with an optimistic construction outlook at least in the short term, will keep employment stable. Blaine County unemployment should remain in the low 4.0 percent range as tourism outlook has improved and constructions projects continue. Mini-Cassia may dip statistically a little lower in the first part of 2004, but is expected to show slow improvement as new jobs are created. It is doubtful that unemployment will now reach double-digits due to better-than-expected consumer confidence and retail sales. However, it is extremely important to track *Civilian Labor Force* to determine whether workers are giving up finding work and completely leaving the labor force. This, along with underemployment, could be a drag on the area's economy. Also in the short term at least, the economy remains very homogeneous and lacks diversification. This will continue to cause higher unemployment rates in the Mini-Cassia area than surrounding areas due to the traditional nature of food processing and seasonal agricultural employment. It is important for economic development efforts to focus on creating new sectors to modify

seasonal anomalies. Unemployment rates will probably hover in the 6.0 to 7.5 percent range for the combined Cassia-Minidoka LMA.

AREA DEVELOPMENTS

Twin Falls County

- Dollar Tree, Inc., a chain of discount variety stores based in Chesapeake, Virginia, has leased space in the Lynwood Mall at the corner of Filer Avenue and Blue Lakes Boulevard in Twin Falls and will open a store in March 2004. The store sells variety products at one dollar or less. It is expected that Dollar Tree will employ 25-30 full- and part-time workers.
- Twin Falls-based PSI Waste Systems, formerly owned by Allied Waste Industries of Scottsdale, Arizona, has split from the parent company and reverted back to private ownership after six years. PSI Waste Systems will now serve as the corporate headquarters for the new company, PSI Environmental Services. PSI Waste Systems currently has 41 local employees and the formation of the new company will add five to seven additional workers as the company forms a corporate accounting center.

Camas, Gooding, Jerome, and Lincoln Counties

- The Billingsley Creek Lodge in Hagerman became the first Magic Valley business to be recognized on the website of the Association of Small Business Development Centers for its excellent service and hospitality. The Idaho Small Business Development Center in Twin Falls nominated the business as one of its success stories, and it was selected for national attention. The owners remodeled and hired new employees in 2002. The lodge features six motel rooms, two cottages, a ten-space mini-storage facility, and tens spaces for recreational vehicles. A separate building doubles as a conference room or as a lounge with a hot tub.
- St. Benedicts Family Medical Center officially assumed responsibility for ambulance service in Jerome County from Magic Valley Regional Medical Center. Jerome County has launched its own ambulance district and has contracted with St. Benedicts to operate the service. The ambulance service will be staffed by two-person crews (one paramedic and one emergency medical technician) 24 hours a day, seven days a week. There will be five full-time workers and 12-15 part-time and on-call workers.

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SOUTHEAST IDAHO

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA, & POWER COUNTIES

EMPLOYMENT TRENDS

The top portion of **Southeast Table 1, Labor Force and Employment**, shows **Labor Force Data**: *Civilian Labor Force*, *Unemployment*, *Unemployment Rate*, and *Total Employment*. The lower portion shows *Nonfarm Payroll Jobs* by industry.

In assessing and describing labor market conditions, terms are often used that are similar, but have completely different meanings and are derived from completely different sources. For example *Total Employment* and *Nonfarm Payroll Jobs* are two terms that cannot be compared because they have different meanings and are derived from different sources.

Total Employment is a count of people. People who are employed (employment) and unemployed (unemployment) make up the Civilian Labor Force. This data set is derived from the Current Population Survey (CPS), which is conducted nationwide. It is a count of people by where they reside. If an individual lives in Bannock County and is employed anywhere, he/she is counted under *Total Employment* in the Bannock County labor force. If an individual lives in Bannock County and does not work but is actively seeking work (whether he/she receive unemployment benefits or not), that individual is counted under *Unemployed* in the Bannock County labor force. In this data set, an individual is only counted once, regardless of how many jobs he or she has. *Unemployment* and the *Unemployment Rate* are not based on the people who collect unemployment insurance benefits; it is derived from the CPS. Therefore, people who have exhausted their unemployment benefits do not cause the unemployment rate to decrease.

When discussing jobs, the term *Nonfarm Payroll Jobs* is used. This data set is derived from two sources: a monthly survey of employers and quarterly reports provided by all employers who are

Southeast Idaho Table 1: Labor Force & Employment
Pocatello City MSA (Bannock County)

	Nov 2003*	Oct 2003	Nov 2002	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	40,200	40,890	38,330	-1.7	4.9
Unemployment	1,910	1,970	2,350	-3.0	-18.7
% of Labor Force Unemployed	4.7	4.8	6.1		
Total Employment	38,290	38,920	35,980	-1.6	6.4
Unadjusted					
Civilian Labor Force	40,750	40,720	39,240	0.1	3.8
Unemployment	1,890	1,780	23,000	6.2	-91.8
% of Labor Force Unemployed	4.6	4.4	5.9		
Total Employment	38,860	38,940	36,940	-0.2	5.2
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	33,819	34,340	33,830	-1.5	0.0
Goods-Producing Industries	4,095	4,200	4,450	-2.5	-8.0
Natural Resources & Mining	14	10	10	40.0	40.0
Construction	1,625	1,700	1,750	-4.4	-7.1
Manufacturing	2,456	2,490	2,690	-1.4	-8.7
Food Manufacturing	443	450	410	-1.6	8.0
Fabricated Metal Product Manufacturing	120	120	140	0.0	-14.3
Machinery Manufacturing	30	30	40	0.0	-25.0
Other Manufacturing	1,863	1,890	2,100	-1.4	-11.3
Service-Providing Industries	29,724	30,140	29,380	-1.4	1.2
Trade, Transportation & Utilities	6,757	6,660	6,840	1.5	-1.2
Wholesale Trade	1,014	990	1,040	2.4	-2.5
Retail Trade	4,473	4,400	4,500	1.7	-0.6
Utilities	54	50	50	8.0	8.0
Transportation & Warehousing	1,216	1,220	1,250	-0.3	-2.7
Information	740	680	670	8.8	10.4
Financial Activities	1,743	1,760	1,780	-1.0	-2.1
Professional & Business Services	3,433	3,660	3,290	-6.2	4.3
Educational & Health Services	2,755	2,780	2,660	-0.9	3.6
Leisure & Hospitality	3,312	3,280	3,250	1.0	1.9
Other Services	1,116	1,320	1,240	-15.5	-10.0
Government Education	5,705	5,740	5,480	-0.6	4.1
Government Administration	4,163	4,270	4,170	-2.5	-0.2

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

covered by Idaho's unemployment insurance law. **Nonfarm Payroll Jobs is a count of jobs, not people**, by where the work is done. If someone works in Bannock County in a *Retail Trade* business, that job is counted in *Nonfarm Payroll Jobs* under *Retail Trade*, regardless of whether that person lives in Bannock County or not. A person could live in Bannock County, but work in a different county. That person's job would not be counted in Bannock County's *Nonfarm Payroll Job* count. If a person works two jobs, both jobs would be counted in this data set, but if the jobs were in different counties they would be counted as one job in each of the two counties.

Labor Force

The Pocatello Metropolitan Statistical Area's (MSA) seasonally adjusted unemployment rate for November 2003 was 4.7 percent, down one-tenth

of a percentage point from October's revised rate of 4.8 percent. The MSA's November unemployment rate was 1.4 percentage points below the 6.1 percent rate experienced one year ago, and seven-tenths of a percentage point below the state unemployment rate of 5.4 percent.

The MSA's unemployment rate remained lower than the national unemployment rate, which was 5.9 percent in November 2003, and dropped one-tenth of a percentage point from October 2003.

Nonfarm Payroll Jobs

Nonfarm Payroll Jobs decreased by 521 from October 2003 to November 2003. Jobs decreased in nearly all industry sectors as summer and fall activity came to a halt and winter recreation and holiday activity was not yet in full swing. A cold snap in November halted parks and recreation jobs and slowed construction activity. In addition harvest wrapped up, eliminating agricultural jobs throughout the area. Jobs in the *Goods-Producing Industries* fell by 105 and followed normal seasonal patterns. Both *Construction* (-75) and *Manufacturing* (-34) experienced job losses as cold weather reduced outdoor construction activity and fall maintenance temporarily reduced processing activity. The *Service-Providing Industries* lost 416 jobs in November. Job losses in the *Service-Providing Industries* also followed normal seasonal patterns. Most job losses occurred in *Services* (-431) and *Government Administration* (-107) because temporary seasonal workers in agriculture, landscaping, recreation, and other summer/fall-related work were no longer needed, and local government parks and recreation and road maintenance departments reduced their workforces for winter.

AREA ECONOMIC DEVELOPMENTS

Please note: Information contained in Economic Developments is obtained from area newspapers, local Job Service offices, trade publications, local area Chambers of Commerce publications, and other sources.

Bannock County

- Qwest Communications will add another 47 jobs at its customer service center in Pocatello. The center handles repair, service, and sales calls for the company. The company currently employs over 260 employees in Pocatello with a starting pay of over \$9.00 per hour.
- Health West expanded its operation at 845 West Center in Pocatello and added a geriatric clinic. The \$210,000 expansion includes six examination rooms and an urgent care procedure room, and will allow the clinic to treat up to 40 patients per day.
- The Portneuf Greenway Foundation began construction to connect more of the Greenway trail system in Pocatello. The site runs adjacent to Mountain View Cemetery between Barton Road and Idaho State University. AMI Semiconductor, Pocatello's

largest private employer, contributed \$10,000 toward the new connector.

- Pebble Creek Ski Area near Pocatello opened the week before Christmas after receiving a foot of new snow. The ski area typically opens between the first of December and Christmas, depending on snow levels, and employs more than 50 workers during the ski season.

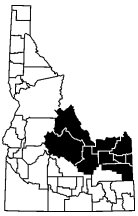
Bingham County

- Construction of Blackfoot High School's \$3.8 million dollar expansion is on schedule and should be completed in August 2004. The expansion includes a three-court gym, locker rooms, and a 1,200-seat auditorium.
- A copper cupola was added to the clock tower at Firth's new business park. The 800-pound copper dome was installed as a design feature. The business park will house the Blackfoot Medical Clinic, U-Copy, an optometrist, and an attorney. Space is available for more businesses.

Caribou County

- A new beverage and gift shop, Hilltop Hideaway: Unique Beverages & Gifts, opened in Soda Springs. The business is located at 30 Mineral Heights and offers lattes, steamers, sodas, hot chocolate, and various gift items.
- A ruling by the district judge, necessary for the county to bind future commissioners to a long-term lease, allowed Caribou County to enter into a long-term lease to build a new jail. The \$3.8 million proposed jail would house 45 inmates, would include a new sheriff's office, and would be built on county-owned land on U.S. Highway 30 east of Soda Springs. Construction of a new jail facility should save the county money. Currently, the county pays to house Caribou County inmates in jails in other counties and must pay to transport the inmates between facilities. There is also the possibility of housing inmates from other counties at the proposed Caribou County facility.

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NORTHEAST IDAHO

BONNEVILLE, BUTTE, CLARK, CUSTER, FREMONT, JEFFERSON, LEMHI, MADISON, & TETON COUNTIES

EMPLOYMENT TRENDS

The November unemployment rate for the Bonneville Labor Market Area (LMA) remained constant from October at 3.8 percent, which was one-tenth of a percentage point lower than in November 2002 as seen in Northeast Table 1. The *Civilian Labor Force* decreased by 1,180 over the month while the total of unemployed persons decreased by 70. Year-over-year, the *Civilian Labor Force* decreased by 1,440 while the number of unemployed persons decreased by 150. Of the four counties that comprise the LMA, Jefferson County had the lowest unemployment rate at 3.5 percent and Butte County had the highest unemployment rate at 4.8 percent. All four counties were below the state's rate of 5.1 percent. Idaho Falls, the largest city in the LMA, showed an increase of two-tenths of a percentage point over the month to 3.9 percent, which remained unchanged from November 2002.

The other six counties in Northeast Idaho that are not included in the LMA all showed unemployment rate increases from October to November 2003, with rates ranging from 1.7 percent in Madison County to 6.7 percent in Lemhi County. Most of the increases can be attributed to *Construction* and *Agriculture* jobs ending for the season. Year-over-year, the unemployment rate decreased in these counties with the exceptions of Teton County, which increased one-tenth of a percentage point and Clark County, which increased four-tenths of a percentage point.

Nonfarm Payroll Jobs in the LMA decreased by 410 jobs over the month. Gains in *Trade* (270 jobs) offset losses in *Construction* (-520 jobs). Year-over-year, *Nonfarm Payroll Jobs* showed a gain of 430 jobs overall with significant gains in *Educational & Health Services*

Northeast Idaho Table 1: Labor Force & Employment
Bonneville, Bingham, Butte, and Jefferson Counties

	Nov 2003*	Oct 2003	Nov 2002	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	81,850	83,030	83,290	-1.4	-1.7
Unemployment	3,090	3,160	3,240	-2.2	-4.6
% of Labor Force Unemployed	3.8	3.8	3.9		
Total Employment	78,760	79,870	80,050	-1.4	-1.6
<i>Unadjusted</i>					
Civilian Labor Force	82,010	83,250	82,990	0.9	-0.2
Unemployment	2,820	2,640	2,920	15.8	1.3
% of Labor Force Unemployed	3.4	3.2	3.5		
Total Employment	79,200	80,620	80,070	0.4	-0.3
JOB BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	63,860	64,270	63,430	-0.6	0.7
<i>Goods-Producing Industries</i>	10,250	10,870	9,970	-5.7	2.8
Natural Resources & Mining	70	70	80	0.0	-12.5
Construction	5,360	5,880	4,680	-8.8	14.5
Manufacturing	4,820	4,920	5,210	-2.0	-7.5
Food Manufacturing	2,440	2,440	2,760	0.0	-11.6
Fabricated Metal Product Manufacturing	290	310	270	-6.5	7.4
Machinery Manufacturing	440	450	440	-2.2	0.0
Other Manufacturing	1,650	1,720	1,740	-4.1	-5.2
<i>Service-Providing Industries</i>	53,610	53,400	53,460	0.4	0.3
Trade, Transportation & Utilities	14,580	14,290	14,480	2.0	0.7
Wholesale Trade	4,840	4,780	4,770	1.3	1.5
Retail Trade	7,760	7,550	7,880	2.8	-1.5
Utilities	100	100	100	0.0	0.0
Transportation	1,880	1,860	1,730	1.1	8.7
Information	770	770	900	0.0	-14.4
Financial Activities	1,930	1,950	2,090	-1.0	-7.7
Professional & Business Services	11,610	11,600	11,650	0.1	-0.3
Educational & Health Services	6,530	6,510	6,110	0.3	6.9
Leisure & Hospitality	4,920	5,010	4,900	-1.8	0.4
Other Services	2,090	2,070	2,280	1.0	-8.3
Government Education	5,090	5,020	5,110	1.4	-0.4
Government Administration	6,090	6,180	5,940	-1.5	2.5

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

(420 jobs mostly from *Health*) and *Construction* (680 jobs). *Manufacturing* lost 390 jobs, mostly from the *Food Manufacturing* sector.

2003 ECONOMIC SUMMARY

The latest population figures (July 2002) show that the nine counties of Northeast Idaho increased by 4,055 people since the April 2000 Census count for a 2.5 percent increase. Teton County showed the largest percentage increase at 12.2 percent, or almost 1,000 people. Bonneville and Jefferson Counties showed the next largest percentage increases, both at 2.8 percent, with additions of 2,658 and 626 people, respectively.

The latest construction numbers provided in the Wells Fargo Idaho Construction Report (September 2003) showed increases in total permits and total construction dollars cumulative over the nine-month period of January through September 2003. Total new dwellings increased by 235 while total construction dollars (including new residential, nonresidential, and additions, alterations, and repairs) increased by almost \$21 million. Ammon, Bonneville County (not including Ammon or Idaho Falls), and Rexburg showed the largest increases. Rexburg in Madison County topped the list with an increase in total construction dollars of over \$10 million in new residential and over \$8 million in new nonresidential, while showing a decrease of \$3.5 million in additions, alterations, and repairs. The town is trying to keep pace with growth of the four-year Brigham Young University-Idaho (BYU-Idaho), since it changed from the two-year Ricks College several years ago. Surprisingly, Blackfoot in Bingham County showed a large increase in total construction dollars with over \$7.5 million in new nonresidential construction. Blackfoot has expanded its hospital and added a variety of businesses such as a large clinic, a new medical plaza, new retail stores and restaurants, and a new Cal Stores, which is vacating its current location to move into a new building.

Annual average wages have increased from \$25,798 in 2001 to \$26,524 in 2002 for the Northeast Counties as a whole. Annual average employment decreased by 101 people over that same time period. Butte County showed the largest individual decrease of 751 people while several other counties showed small decreases. Lemhi, Clark, Custer, and Jefferson Counties experienced employment decreases of less than 140 combined. Bonneville and Fremont Counties showed combined gains of over 600.

These four economic indicators—population, construction activity, average annual wages, and average annual employment—combined with the annual decreases in the unemployment rate, which fell from 3.9 percent to 3.6 percent, show that Northeast Idaho is vibrant, growing, and relatively healthy. Although much of Northeast Idaho is rural, most of these counties are focusing on economic development and have found ways to keep their workforce busy in spite of natural resource-based industry declines.

DEVELOPMENTS AND CHANGES—2003

Closures and Layoffs

Although the area has generally seen additions and expansions over 2003, there were a few permanent reductions that should be noted.

- Tele-Servicing Innovations closed its doors, with over 80 people losing their jobs. The company cited federal Do Not Call legislation, along with the national economic downturn, as reasons for closing.
- Kenny Rogers Roasters on Seventeenth Street closed after serving Idaho Falls for over five years. The restaurant chain suffered from financial troubles.
- McFarlane's Jubilee grocery store on Seventeenth Street in Idaho Falls closed. The location had been a grocery store for many years, but had changed names several times during its history.
- Several other small retail stores and a few small restaurants changed hands or closed over the year.
- Argonne National Laboratory, part of the Idaho National Engineering & Environmental Laboratory (INEEL), experienced a layoff of about 40 employees in May, but only about 20 were affected from the Northeast Idaho area. The nuclear fuel research and energy security facility, operated by the University of Chicago, said layoffs were necessary to change its mix of workers to meet new priorities it now faces.
- Bechtel BWXT, Idaho, the prime contractor for the INEEL, laid off approximately 200 employees in September. The layoffs were essential due to federal budget constraints and to dissolve projects that were not anticipated to be part of probable future mission priorities.

Expansions

Several existing businesses took advantage of the all-time low interest rates and the improving national economy by implementing some reinvestment projects.

- Denver Mattress Company at least tripled its size, adding Sofa Mart, Oak Express, and Bedroom Expressions to its location on Hitt Road in Idaho Falls; it is now called Furniture Row. Although each store has a separate entrance, the management, financing, and customer service functions are combined for the four stores.
- Growth in Idaho Falls encouraged many businesses to add second locations in other parts of town. AutoZone added a location at the corner of Woodruff Avenue and Seventeenth Street. The company will also add another location in Rexburg in the near future. Artic Circle built another location at the corner of Hitt Road and First

Street. Lettuce Eat added a second eatery in downtown Idaho Falls, but closed the location before year's end. The Mortgage Company built its own office on Seventeenth Street in Ammon. Prescription Center Home Care built a new, larger state-of-the-art facility at Coronado Street. North Forty Family Fun Center added a mechanical bull, karaoke nights, and a Hillbilly Olympics course. Security Connections, Inc., a records management facility that has been in town for over 10 years, added a 15,000-square-foot storage facility next to its existing facility.

- Warmth Wear outgrew its location in the basement of a Newdale house and now resides at 16 East Main in Teton. The company is best known for making fleece and flannel adult, footed pajamas and has used the Internet as a successful marketing tool.

NEW ADDITIONS

Many new businesses moved into the area in 2003, benefiting from low interest rates and a healthier national economy.

- In Idaho Falls, Rent-A-Center (furniture and appliances) moved in next to Walgreens on Seventeenth Street. Tuesday Morning, a retail department store, opened at the Grand Teton Plaza on Seventeenth Street. Bed, Bath & Beyond, a home accessories store, opened next to T.J. Maxx, a clothing and home accessories store, on the Ammon side of Hitt Road. The Scrap Coop, a scrap booking supplies store, opened earlier in the year, but closed before year's end. Other businesses also opened in Idaho Falls such as the Child Behavior Center that specializes in a variety of child- and family-related problems. Daylight Donuts opened at Taylor Crossing on the River off Pancheri Drive. The Purple Gecko, a unique sandwich and soup place, opened off Hitt Road. The owners also owned DD Mudd, which they have since closed to direct energies to the new store. Chuck-A-Rama, a buffet-style restaurant, opened on Hitt Road in Ammon. TrendWest, specializing in vacation resort rentals, opened at Jennie Lee Drive. Weinhoff Drug Testing opened an office on 25th Street.
- IntelliStar Group, a consortium of homeland security-type businesses, was formed in the area to offer technical support and fast response in threatening or emergency situations.

NEWLY ANNOUNCED AND CONTINUING PROJECTS

Bonneville County

- Grupo Modelo's large malt facility is still under construction with plans for completion in one year. The beer brewing company is headquartered in Mexico; this is the first malt facility constructed in the United States. It is located close to the Anheuser Busch malt plant off Sunnyside Road south of Idaho Falls.
- Anheuser Busch is close to completing its project to double the size of its malt facility at the Sunnyside Road facility south of Idaho Falls. Mid 2004 is the expected completion date.
- North Wind Inc. is still constructing its new corporate headquarters north of Highway 20 and south of Freeman Park in Idaho Falls. The company specializes in environmental and earth science consulting and management, and now has a construction company of its own. The completion is slated for summer 2004.
- Taylor Crossing on the River, a commercial business development in Idaho Falls, is still going strong. Two large buildings were completed at the beginning of 2003, one more was finished in December 2003, and another one should be completed in the next few months. The buildings are usually 15,000- to 30,000-square feet and the entire development borders the Snake River. Each large building can house several businesses, although Zion's Bank will be the sole occupant of the most recently completed building.
- A second Sonic Drive-In is being constructed at the corner of Sunnyside Road and Pancheri Drive. The fast food store should be completed by spring 2004.
- A second Wal-Mart Supercenter has been announced for Idaho Falls near the Broadway Interstate 15 exit. Though construction has not begun, completion is expected in 2005.
- Lowe's Home Center is preparing to build a store at the location of the former Wal-Mart building on Seventeenth Street in Idaho Falls. Crews have torn down the old building, are carrying off the remains, and are preparing the ground for pouring the foundation, which should take place soon. The company expects completion and operation in 2004.
- UPS announced it would build a new, larger facility just off Utah Avenue and Broadway. It will be

located close to the new Wal-Mart Supercenter. Construction has not begun at publication time.

- Big Lots is redesigning the former McFarlane's Jubilee or IGA located on the corner of St. Clair and Seventeenth Street. The retail store, which offers discounted furniture, clothing, and food, plans to open in February.

Butte County

- BNFL, Inc. has completed the bulk of hiring and trained its workers over the year. Though partial operations have been started, full operation will start sometime in 2004. The facility contracted with U.S. Department of Energy to retrieve waste from the INEEL and prepare it for shipment over the next 10 years.

Fremont County

- Ashton Memorial Inc. is opening a clinic in Island Park and expects operations to begin in spring. The building is currently being remodeled at Pond's Lodge and initially will be staffed by a doctor and nurse practitioner three days a week.

Jefferson County

- Steel Vision is in the final stages of completing its new building located on the west side of Highway 20 in Rigby. The company erects large pre-engineered metal buildings. The new building should be finished before spring

Lemhi County

- The Sacajawea Interpretive Cultural and Education Center was completed in Salmon this year. It represents Sacajawea's role with the Lewis and Clark Corps of Discovery. The Lemhi Shoshone (her people) are from this area. Paths have been made, a small center and restrooms have been constructed, and a statue and plaques have been erected that describe the events and people involved in the expedition. A research library was the most recent installation. A recently approved appropriations bill is allocating \$900,000 to the center that will encompass a Native American Cultural Institute, a 350-seat auditorium for performing arts, an interpretive center, and gallery space to help the center prepare for the Lewis and Clark Bicentennial.

Madison County (Rexburg)

- Teton Village, a retail and six-theater complex in Rexburg, remains under construction on Second East Street. Completion is expected within the next several months.

- Infrastructure development has just begun on a new business park near West Main on Highway 33. It will house over 20 offices, retail shops, and restaurants when completed.
- Deseret Industries Thrift Store is replacing its existing facility with a much larger one on Second East.
- BYU – Idaho is still growing since its change from a two-year college to a four-year university several years ago. Over 50 degrees were added to its offerings as of 2002 and it continues to add. Student numbers at the university have reached record highs each semester, currently topping 11,000; over 10,000 students are full-time. Because housing continues to be in demand, many dorms have been constructed and more are under construction now. The demand for married student housing has grown since students are now staying longer, getting married, and raising families while attending school. Several new academic and office buildings were built over the year. With all the increases, Rexburg continues to support controlled growth. With the lowest unemployment rate in the state, the town is unlikely to outgrow its workforce.

OTHER HAPPENINGS

Several other changes took place over the year that merit mentioning. Idaho Department of Commerce Director LaMoyne Hyde of Idaho Falls resigned towards the end of the year. Department of Labor Director Roger B. Madsen was appointed acting director. Jim Bowman started the year as Executive Director of Eastern Idaho Economic Development Council, but Chris Hertz took over the position before mid-year. Before the end of the year, Chris announced his resignation and Kipp Hicks was named Executive Director. Mike Kuhns resigned as President of the Greater Idaho Falls Chamber of Commerce for another employment opportunity. He was replaced by Rob Chiles. The U.S. Department of Energy named Elizabeth Sellers the new manager of INEEL and John Kotek deputy manager.

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2003-2004 Economic Review and Outlook

a poem
by John Mitchell, U.S. Bank



There was growth, but for years
something was missing,
Jobs were declining leading to much dissing.
'Q2's GDP above expectations did soar,
Pushed by consumers and going to war.

Unwelcome disinflation was the subject in May,
What might the Fed do to keep deflation at bay?
Buy long bonds, cut fifty, bond prices did soar,
Homeowners raced back to refi once more.

Taxes were cut and checks put in the mail,
Testing fiscal policy's Holy Grail.
The data was hinting, faster growth was near,
Something to the Administration, that was very,
very dear.

The leading were rising, initial claims were down,
Brokers less often were confronted by frowns.
Housing will ebb and the refis fade away,
More investment and earnings must have their way.

Growth in third was an eight point two,
Consumption, investment, and even exports grew.
The fourth saw growth at a more modest four,
Leading Indicators suggested
that there would be more.

The fall brought job growth, the first in a while,
A more prosperous Christmas made retailers smile.
'03 saw growth a half more than '02,
The second half pick came right on cue.

A standard upturn this was not to be,
For some there is still excess capacity.
No pent up demand for cars or new dwellings,
The long term federal deficit is rapidly swelling.

Inflation will stay low, the Fed is patiently waiting,
For signs that labor market weakness is abating.
Unfunded liabilities have soared like a rocket,
But in the heat of election, it will be on the
future's docket.



'04 will be better, but no 90s redo,
Investment will grow, job growth will too.
The quadrennial slugfest is well underway,
To see if George, Johns or Howard will have their day.

#

The Northwest reeled from hits to the region,
The tech bust, plus Boeing and other cutbacks
in legion.

The lone cow of December, cast its long spell,
Ending the Aktins euphoria, when ranchers did well.

#

Recessions all end and this one did too,
But up in parts of this region
it does not seem to be through.
Three years of weakness or for some decline,
Are giving way to an upturn that will seem sublime.

Oregon lingered near the back of the pack,
Awaiting manufacturing to start climbing back.
Fiscal uncertainty envelops this land,
As voters may undo the legislature's hand.

Oregon's bottom was back in July,
Outsiders are now welcome to reside and to buy.
Housing's still hot in both permits and sales,
But state is still groping for a path back to hale.

Washington's was flat as '03 wound down,
Outside of Seattle job growth has come 'round.
Software, trade, pricey apples, and tourists galore,
Are helping the luster to restore.

A new airplane is moving closer to flight,
For the state, a symbol of getting things right.
The drag's almost over from the aerospace demise,
The next growth sectors are about to arise.

The Gem State again was the best of the region,
In spite of tech weakness, cutting jobs in legion.
Dell, Tamarack, Citi, and Coldwater Creek,
Helped start Idaho's jobs on a new positive streak.

People did come at a rate of one point seven,
For homebuilders it was a residential heaven.
The sales tax was boosted for a three year span,
To keep public services on long term plan.

defense research. UI's federal funding for 2003 is estimated to be at about \$63.1 million; that's up from \$48.9 million from 2002. The UI's total research funding was approximately \$77 million for 2003.

- UI researchers will use a NASA grant of nearly \$1 million to develop ultra-low-power computer chips for use in space. It's another coup for UI professor Gary Maki, whose work in space electronics has led to more than \$27 million in government contracts over two decades.
- Gritman Medical Center in Moscow is in the middle of a 48,000-square-foot \$19 million addition.
- Tourism on the Palouse (Latah County and Whitman County) is a much larger industry than most realize, accounting for more than \$66 million in economic impact annually. University events are a large part of the annual tourism dollars. As home to two universities, UI and Washington State University (WSU), the Palouse attracts tens of thousands of visitors. The WSU athletic department indicates that during a PAC-10 football weekend, more than \$1.4 million is spent, giving local businesses a boost. In recent estimates the Lionel Hampton Jazz Festival at the UI brought in more than \$4 million in economic impact.

Nez Perce and Asotin Counties

- If all goes as planned, the Asotin County aquatics center should open next summer on Dustan Loop in Clarkston. The outdoor water park will feature three slides, a wave pool, a lazy river, and an adventure pool. The indoor complex will include an eight-lane competition pool, a warm water pool, and a whirlpool. The entire project is expected to cost about \$9.4 million.
- Potlatch Corporation reported profits in the first half of 2003 following three years of losses.
- Potlatch Corporation transferred 12 of 2,000 jobs in Lewiston to the Midwest. The transfers are a part of a decision by Potlatch to open a new site in the Midwest where tissue will be cut into household towels. The number of converting lines in Lewiston will drop by one to 20 in January when the change is completed.
- Lewis-Clark State College broke ground in August on a 3,500-seat multipurpose activity center to replace the aging 1,400-seat Warrior Gymnasium. The \$16.4 million, 100,000-square-foot project is expected to take two years and will be built in two phases. The completed center will have three full-sized basketball courts, weight-training rooms, seven classrooms, and the capacity to house large sporting and entertainment events.
- A new road was opened in September in Lewiston's Business and Technology Park marking the completion of infrastructure at the site.
- Five of the eight manufacturers of aluminum boat manufacturers in the area have order backlogs. Since 2000, the number of people employed in boat manufacturing in the Lewiston-Clarkston Valley has climbed by 41 to 211. Although those jobs represent just 6.5 percent of the manufacturing jobs, they're important because boat making is one of the few sectors of manufacturing that's growing in the area. Many of those working for boat manufacturers are welders, a trade with average wages of \$13.50 per hour in this area.
- Regence BlueShield of Idaho has cut claims processing and customer service jobs in Lewiston. The company announced they are delaying plans to construct what would be one of Lewiston's largest office buildings at the city's business and technology park.
- The Pacific Cataract and Laser Institute opened a new, larger building at Bryden Canyon Road and Fourth Street in Lewiston.
- Citing inefficiency at the Port of Portland in the wake of the longshoremen's work stoppage, Potlatch Corporation shifted the bulk of its shipping business to the Puget Sound, bypassing the Port of Lewiston, and the Snake and Columbia Rivers.

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Glossary of Labor Market Terms

Agriculture Employment: Persons on agriculture payrolls who work or receive pay for any period during the survey week. This includes owners, operators, unpaid family members who work at least 15 hours a week, and hired laborers.

Average Hourly Earnings/Average Weekly Hours: The average total money earnings earned by production or non-supervisory workers for selected industries. The average number of hours worked by production or non-supervisory workers including overtime, paid vacation, and sick leave. The data is collected for the week including the 12th of the month.

Average Weekly Earnings: Average Hourly Earnings multiplied by Average Weekly Hours.

Civilian Labor Force: A count of non-institutional persons 16 years of age and over residing within a specific geographic area, excluding members of armed forces, who are classified as employed, unemployed and seeking employment, or involved in a labor dispute.

Consumer Price Index (CPI): A national index measuring changes over time in the price of a fixed market basket of goods and services. There are two indexes—the All Urban Consumers (CPI-U) represents the buying habits of about 80 percent of the non-institutional population of the United States, and the Urban Wage & Clerical Workers (CPI-W) represents 40 percent of the population.

Covered Employers: Employers who are subject to state and federal Unemployment Insurance laws.

Durable Goods: Also known as “hard goods” because they include items manufactured or provided by wholesalers with a normal life expectancy of three years or more.

Employed: Individuals, 16 years of age or older, who worked at least 1 hour for pay or profit or worked at least 15 unpaid hours in a family business during the week including the 12th day of the month. Individuals are also counted as employed if they had a job but did not work because they were: ill, on vacation, in a labor dispute, prevented from working because of bad weather, or temporarily absent for similar reasons.

Initial Claim: Any notice of unemployment filed to request (1) a determination of entitlement to and eligibility for compensation or (2) a second or subsequent period of unemployment within a benefit year or period of eligibility.

Labor Market Area (LMA): An area that consists of a central city or cities and the surrounding territory within commuting distance. It is an economically integrated geographic area within which individuals can reside and find employment without changing place of residence. Idaho has nine LMAs.

Metropolitan Statistical Area (MSA): An area that has either a city with a population of at least 50,000 or a Bureau of Census urbanized area of at least 50,000 and a

total metropolitan area of at least 100,000. The Office of Management and Budget designates the MSAs. There are five MSAs in Idaho—Boise City-Nampa MSA (including Ada and Canyon Counties), Coeur d’Alene MSA (Kootenai County), Idaho Falls MSA (Jefferson and Bonneville Counties), Lewiston MSA (Nez Perce County in Idaho and Asotin County in Washington), Logan MSA (Franklin County and the Logan, Utah, Metro Area), and Pocatello City (Bannock County).

Nonfarm Wage & Salary Employment: Persons on nonfarm establishment payrolls (including employees on paid sick leave, paid holiday, or paid vacation) who work or receive pay for any part of the week including the 12th of the month. It is a count of jobs by place of work. It does not include self-employed, unpaid volunteer or family workers, domestic workers in households, military personnel and persons who are laid off, on leave without pay, or on strike for the entire reference period.

Nondurable Goods: Also known as “soft goods” because they include items manufactured or provided by wholesalers that generally last for only a short period of time (three years or less).

Seasonally Adjusted: Data is seasonally adjusted to remove the impact of regular events that occur at the same time every year such as the effect of cold weather on outdoor activities, the Christmas holiday, or the summer influx of youth into the labor market.

Unemployed: Those individuals, 16 years of age or older, who do not have a job but are available for work and actively seeking work during the week including the 12th of the month. The only exceptions to these criteria are individuals who are waiting to be recalled from a layoff and individuals waiting to report to a new job within 30 days—these, too, are considered unemployed.

Unemployment Insurance: Unemployment Insurance is a program for the accumulation of funds paid by employers, to be used for the payment of Unemployment Insurance to workers during periods of unemployment which are beyond their control.

Unemployment Rate: The number of persons unemployed expressed as a percentage of the labor force.

Weekly Benefit Amount: The amount payable to a claimant for a compensable week of total unemployment.

Weeks Claimed: The number of weeks that unemployed workers claimed Unemployment Insurance benefits.

Weeks Compensated: The number of weeks for which compensation was actually paid.